TEXAS BUSINESS REVIEW

A Monthly Summary of Business and Economic Conditions in Texas

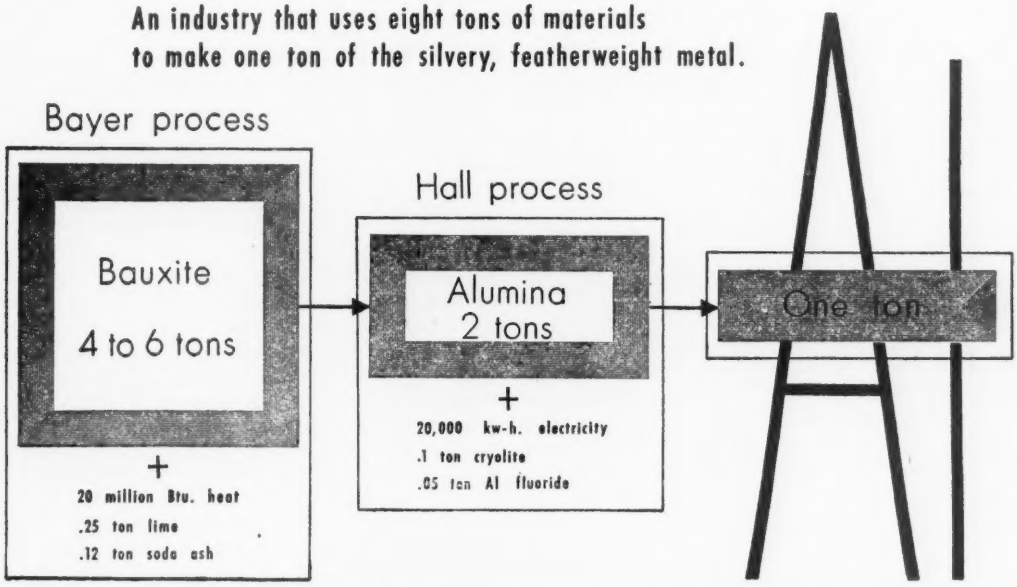
BUREAU OF BUSINESS RESEARCH

COLLEGE OF BUSINESS ADMINISTRATION : THE UNIVERSITY OF TEXAS

VOL. XXVII, No. 4 MAY 1953

Texas aluminum

An industry that uses eight tons of materials to make one ton of the silvery, featherweight metal.



During the year 1953, ore ships will pile the Texas coast near Corpus Christi with thousands of tons of a tawny, friable clay mineral called bauxite. Other carriers, ships and trains, will unload a mountainous supply of a white powder on receiving docks at Port Lavaca and Rockdale; this powder, which looks much like coarse granulated sugar, is alumina.

These are the two major materials being fed into the crushers and electrolytic cells of a newborn Texas industry, the making of aluminum. Only four years ago, Texas produced no primary aluminum, virgin aluminum in the form of 50- to 60-pound pigs. Today, the state has plants with a combined annual capacity of 250,000 tons, 19.5% of the total national capacity and enough to rank Texas second among aluminum producing states. Booming wartime and postwar demands for aluminum stimulated growth of the industry; and technical and locational considerations turned the attention of the aluminum business to Texas, a prime site for new plant expansion. Like certain other metallurgical industries, aluminum production requires several component materials to be assembled, often from far-flung sources.

At the top of this page, a flow chart outlines the movement of materials through the two-phase refining of aluminum. First the bauxite is crushed and its alumina content dissolved in a bath of caustic soda. Then the water is driven off and the aluminum compound heated to 1900° F. in huge rotary kilns. This is the Bayer process, the basic means of isolating alumina. However, some poorer grades of bauxite, particularly domestic ores, contain rather large amounts of silica, a compound that robs the caustic soda solution of as much as 30% of its aluminum content. In processing such ores as these, it is sometimes necessary to collect the residual silicate, or "red mud," from the Bayer vats and subject it to further treatment to make its alumina content available. This two-stage method, called the "combination process," is not necessary when high-grade baux-

(Please turn to page 16)

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The Business Situation in Texas

Business activity in Texas increased slightly in volume during April, the second consecutive month in which business has made small gains after the rather sharp decline in February. In the March issue of the *Texas Business Review* this decline was noted, but since it ran counter to all the forecasts of business for 1953, it was not considered a clear indication of a slowing down in business. Now that data for two more months are available, the conclusion is rather positive that no real down-turn in business activity has been registered.

All of the barometers of business activity compiled by the Bureau of Business Research support the view that business activity in Texas is continuing at a very high level. The first four months of 1953 have established a record volume in all the major barometers of Texas business. The composite index of business activity computed by the Bureau of Business Research was 296 in April, one point higher than in March. The April value of the index was still three points below the peak of 299 established in January, but every month of 1953 has been higher than any month prior to 1953.

The chart at the bottom of the page shows the index of business activity and gives a graphic picture of the upsurge in business that has occurred since the disturbing strikes last summer brought about a considerable dip in volume. The level of the index in April was nearly 50% higher than the 1949 average, 23% higher than in June 1950 at the start of the Korean conflict, and 17% higher than the low of last July.

The index of business activity is a weighted average of seven individual series that reflect changes in different phases of business. Sometimes the different series show such diversity in their movement that the average has little significance. In April, however, the series show an unusual agreement with regard to the direction of business. Four of the series registered an increase of 1% each from March, one remained unchanged, and two declined. The following table shows the behavior of the seven series that are averaged to determine the index of Texas business.

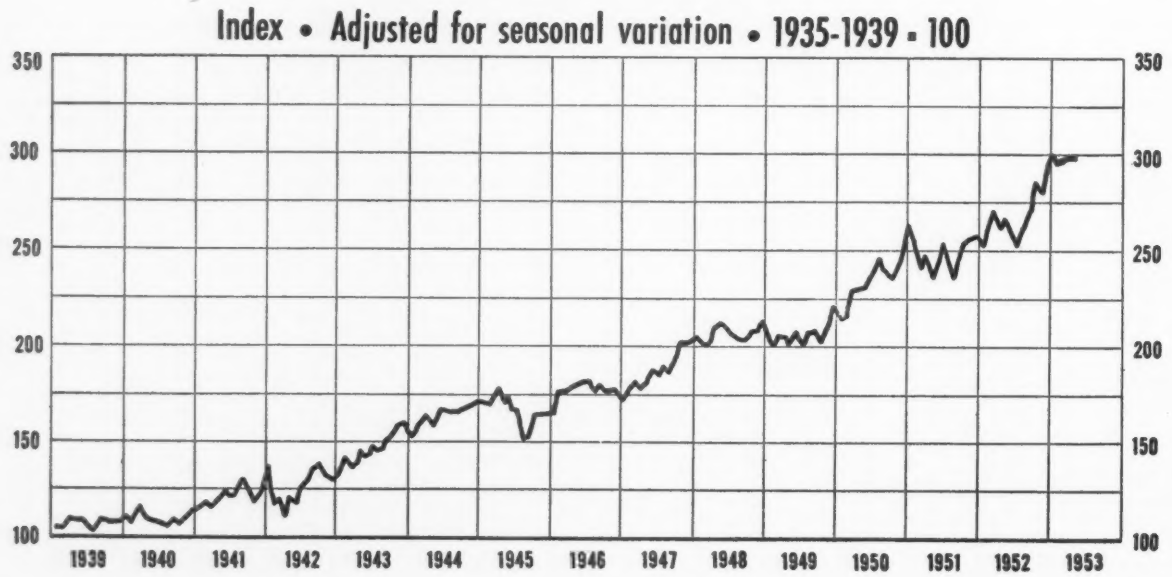
INDEX OF TEXAS BUSINESS ACTIVITY AND COMPONENT SERIES
(adjusted for seasonal variation, 1935-39=100)

Indexes	Weight	Apr 1953	Mar 1953	Percent change
INDEX OF BUSINESS ACTIVITY (COMPOSITE)	100.0	296*	295*	x
Retail sales, adjusted for price changes	47.7	247*	245*	+ 1
Industrial power consumption	14.8	627	634	— 1
Crude oil runs to stills	4.5	229	229	0
Electric power consumption	3.0	686	680	+ 1
Miscellaneous freight carloadings	17.6	145	143	+ 1
Urban building permits, adjusted for price changes	3.8	211*	209*	+ 1
Crude petroleum production	8.6	216	234	— 8

*Preliminary.
xChange is less than one half of one percent.

The leveling off of business in Texas at the highest volume on record raises the basic question of whether business activity is due for a rapid slide downward or for a long stay at this level with no more than a slight dropping off in volume. There is very little support for the view that a further climb in business activity is coming in the immediate future; most of the current debate centers around the date when a decline may set in and the depth to which business activity may fall. Business analysts who expect a decline this year believe that it will be of short duration. Businessmen who have an-

Texas Business Activity



swered opinion polls on the expectation for the last half of this year generally are looking forward to even larger volume of sales and production than during the first half of the year.

In spite of the current optimism, which is well supported by substantial increases in business volume, there is an undercurrent of uneasiness in the present situation. The stock market has long been considered sensitive to changes in the business weather, and the weakness in prices of common stocks and in stock trading activity indicates some uncertainty on the part of investors and speculators. Many signs suggest that the bull market that has lasted four years is nearing an end, although not all the symptoms of a turn are present. The weakness in bond prices, evident for nearly a year, is cited as an important indicator of an end to the upward movement, particularly when considered in connection with the fact that the yields on many common stocks are not significantly higher than on bonds. In the past these signs have usually preceded a turn in the condition of business.

Related to the trends in the stock and bond markets is the tightening of credit which has extended through all phases of business. The demand for funds on the part of business and government has grown faster than the supply, with the result that borrowers are faced with an actual shortage of funds as well as increase in the interest rate. Some businessmen and bankers are saying that the present shortage of funds is the worst since 1920, and banks in some centers are reported to be limiting rather drastically the amount of credit extended.

The restriction on the expansion of credit grows out of the change in policy of the Federal Reserve System, which is exerting a restraining influence on expansion for the first time in twenty years. Open market purchases of government bonds have been discontinued, and member banks are being encouraged to refrain from borrowing from the Federal Reserve banks. The second half of the year is the period of seasonal increase in bank borrowing, and it is assumed that credit will be eased to take care of this expansion. But there is some doubt as to whether it will be possible to prevent additional strain in providing these seasonal funds. It is possible that the tightness in credit might start a contraction in business. Once started, such a contraction might gain considerable momentum. With the greatly increased capacity business now possesses, any decline in consumer income and spending might quickly reduce sales to the point where further expansion of capital goods would be unnecessary. Operating costs are high, and the break-even point would be reached very quickly if sales fell off, with the result that profits might suddenly be changed into losses. This is the typical pattern of a cyclical downturn, and it is possible for it to develop very rapidly into a downward spiral.

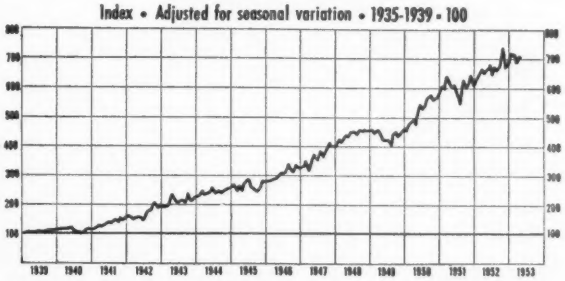
The reasons for expecting that any decline would not last long are the same ones that have been enumerated before. There is to be no sharp reduction in defense spending, business plans for capital expenditures call for a continued high level of spending, and consumer demand is being sustained by a continued high income, with the prospects of a decrease in taxes. Population continues to grow, which means further expansion in the market for consumer goods.

The preceding paragraphs have discussed the business situation for the country as a whole, since these factors do not operate on a regional basis. It is chiefly for this reason that no statistical data on these factors are compiled for Texas. Changes in the economy of the United States resulting from financial factors are felt in Texas about as soon as in any other part of the country. With respect to capital expansion, it is believed that production facilities in Texas are still being increased at a more rapid rate than in the remainder of the United States. New plants and expansion of existing works have been announced at an unprecedented rate, with the result that statistics on industrial activity in the state continue to run ahead of comparable data for the United States. This expansion of capital goods has represented one of the major supports to the business volume in Texas.

Industrial electric power consumption for April declined 1% from March. While this decline is not large, it is the third consecutive monthly decline that this barometer has experienced. Since January the decline has amounted to 3%, but the April level was 17% above that of April 1952. It should be pointed out in this connection that the leveling-off observed in this index is one of the factors suggesting that the rise may be nearing an end. Total electric power consumption remained unchanged in February and showed considerable gain in March and April. This means that the residential and commercial components of demand for electric power moved in the opposite direction from industrial demand.

Urban building activity, measured by the Bureau's index of building permits, has increased somewhat during 1953. The index, adujusted for changes in building costs and also for seasonal variation, rose 1% in April, marking the second consecutive monthly increase. There is considerable evidence to indicate that residential building may be catching up with the demand, but the backlog of various types of public works is still substantial.

Bank Debits in Texas



The index of bank debits, compiled by the Bureau of Business Research from data collected by the Federal Reserve Bank of Dallas, is given in the accompanying chart as a verification of the trend in the composite index of business shown on the preceding page. The April value of the index rose 3% from March, registering the highest point thus far in 1953. This represents the strongest rise in any of the barometers compiled by the Bureau of Business Research, and stands slightly at variance with the other indicators.

JOHN R. STOCKTON

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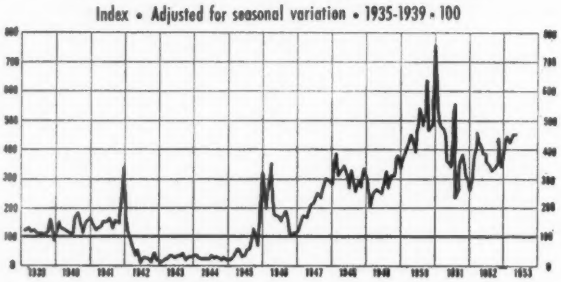
CONSTRUCTION

Residential building permits down sharply. Value of permits issued for urban residential building dropped a disheartening 15% from March to April. The slack, however, was almost taken up by a 30% increase in value of permits issued for the somewhat smaller category of urban nonresidential building. The overall small decline of 2% which occurred from March to April, however, was not significantly different from the expected seasonal decline of 3%. A total of 4,737 new, permanent nonfarm dwelling units were authorized by building permits in April, compared with 5,441 in March and 5,369 in April 1952.

The long-awaited federal action in raising interest rates by 0.5% on most VA and FHA loans has brought favorable reaction in Texas. This development, effective since May 2, is expected to cause a home-buying rush that will last throughout the summer months and boost lagging residential building and related industries.

Value of Urban Building Authorized in Texas

Index • Adjusted for seasonal variation • 1935-1939 • 100



During the first four months of 1953, building permits issued in Texas totaled 10% more in value than the comparable 1952 period. Total value of residential building permits during the first four months was about the same as for January-April 1952, in spite of the sharp drop this April. Nonresidential showed a 44% increase in the January-April year-to-year comparison.

Sales of lumber, building material, and hardware dealers increased 5% from March to April, somewhat more than the normal seasonal rise of 3%. Sales in April this year are at a level 4% above the same month last year.

National construction up 6% this year. During the first four months of 1953 new construction with a total value of more than $9.6 billion was put in place across the nation, compared with $9.1 billion in the corresponding period of 1952. The increase: 6%. Total private outlays of $6.7 billion for January-April were 7% above the year-ago period, while public expenditures of $2.9 billion were only 3% higher.

Expenditures for new construction in April were 8% above those of March and 5% above the April 1952 total. Seasonal gains in road-building and increased spending for atomic energy facilities brought public expenditures to $837 million, 14% above the March figure. Total private expenditures ($1,801 million) were up 5%, mainly because of the rise in residential and public utility construction.

A total of 110,000 new, permanent nonfarm dwelling units were started during April, an increase of 13%

above the March figure, significantly greater than the normal seasonal increase of 8%. Starts this April were about 4% above the same month last year.

Average construction costs have remained stable during the past six months, although there has been an over-all increase of 6% since last March.

Sales of lumber, building material, and hardware dealers increased by 19% from February to March, significantly more than the normal seasonal increase of 14%. Sales this March were 6% above March 1952.

Production of important building materials showed the following changes from February to March: iron and steel + 2%; lumber + 4% (the normal seasonal rise is 7%); and stone, clay, and glass products +3%, which was equal to a normal seasonal rise.

Contracts awarded in Texas. Figures on construction contracts awarded are not comparable with data compiled from building permits. Permits cover building within city limits only and exclude federal building.

VALUE OF CONSTRUCTION CONTRACTS AWARDED

Source: Dodge Statistical Research Service

Type of construction	Apr 1953	January-April 1953	January-April 1952	Percent change
	Value (thousands of dollars)			
ALL CONSTRUCTION	112,277	382,237	418,345	— 9
NEW BUILDING	87,152	306,977	327,413	— 6
Residential	50,422	189,852	156,330	+ 21
Nonresidential	36,730	117,125	171,083	— 32
PUBLIC WORKS AND UTILITIES	25,125	75,260	90,932	— 17

Contract data include urban and rural areas as well as federal contracts. The Bureau's estimates of urban building authorized include building permits and also federal contracts. Since the Bureau does not receive federal contract data until they are three or four months old the preliminary estimates of urban building authorized are based upon building permit data only. Later, when federal contracts are received, these estimates are revised to include federal building. Contracts awarded are not reported until it is believed that the project is about to be started or has been started. Building permit data, on the other hand, represents projects most of which will be strated within two weeks and nearly all of which are started within two months after the permit is issued. Thus, both estimates are somewhat anticipatory of building actually put in place, though contract data are less so than building permit data.

Another discrepancy arises because studies indicate that building permit data understate true construction costs by an average of 15%. Construction contract data, on the other hand, is by-product information; the extent of its coverage fluctuates somewhat from month to month. It does not necessarily follow, then, that contract data are superior to building permit data, which are compiled for the sole purpose of comparability month by month. This information is included here in an attempt to explain some of the apparent discrepancies between the two different sources of information.

Value of contracts awarded in Texas during the first four months of 1953 decreased 9% from the same period of 1952. Value of contracts awarded for residential building was up 21%; but this increase was more than offset by a 32% decline in contracts for nonresidential building and a 17% decline in public works and utilities.

The total number of dwelling units for which contracts were awarded was 17,973 during January-April 1953, up 10% from the first four months of 1952.

The over-all 9% decrease in total value of contracts awarded during the first four months of 1953 can also be explained by the changes taking place in public and private building. Thus the 2% rise in privately financed building was not nearly enough to offset completely the 28% decline in public building.

Permits reported by Texas cities. Lamesa had the biggest relative increase from March to April in building permits issued (+ 1,061%), followed by Vernon (+ 638%), Galveston (+ 493%), Nacogdoches (+ 480%), and Pharr (+ 478%). Changes in value of building permits issued in the five largest cities in the state from March to April: Dallas (+ 26%), Houston (+ 11%), Fort Worth (+ 9%), Austin (+ 8%), and San Antonio (— 16%).

ESTIMATED VALUE OF BUILDING PERMITS ISSUED

Source: Bureau of Business Research in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor

Classification	Apr 1953*	January-April 1953	January-April 1952	Percent change
KIND OF CONSTRUCTION	Value (thousands of dollars)			
ALL BUILDING PERMITS	64,921	244,247	221,518	+ 10
New construction	57,718	217,439	194,420	+ 12
Residential	34,834	143,040	142,898	x
Housekeeping	33,913	139,332	141,823	— 2
One family	32,116	132,548	126,713	+ 5
Multiple family	1,797	6,784	15,110	— 55
Nonhousekeeping	921	3,708	1,075	+245
Nonresidential	22,884	74,399	51,522	+ 44
Additions, alterations, and repairs	7,203	26,808	27,098	— 1
CITY-SIZE GROUP (1940)				
ALL BUILDING PERMITS	64,921	244,247	221,518	+ 10
Over 100,000	30,225	108,253	94,780	+ 14
50,000 to 100,000	12,136	50,741	42,518	+ 19
25,000 to 50,000	5,468	20,251	24,530	— 17
Under 25,000	17,092	65,002	59,690	+ 9

Only building for which permits were issued within the incorporated area of the city is included. Federal contracts are excluded.
*Preliminary.

The city leading the state in per capita value of build permits issued during April was Arlington, with $138.46 per person. Other top cities: Garland ($94.60), Muenster ($72.54), Angleton ($63.84), and Tyler ($60.36). Average per capita building for April was $15.66.

RICHARD C. HENSHAW, JR.

RETAIL TRADE

Retail sales in Texas during the month of April showed practically no change from the level of March but in comparison with April 1952 registered an increase of 9%. The Bureau of Business Research estimated that sales of all retail establishments in April 1953 totalled $682.5 million; in April 1952 they were $625.7 million. Without adjustment for seasonal variation, sales declined 1% between March and April; but when allowance was made for normal seasonal variation, sales in April were at approximately the same level as in March.

ESTIMATES OF TOTAL RETAIL SALES

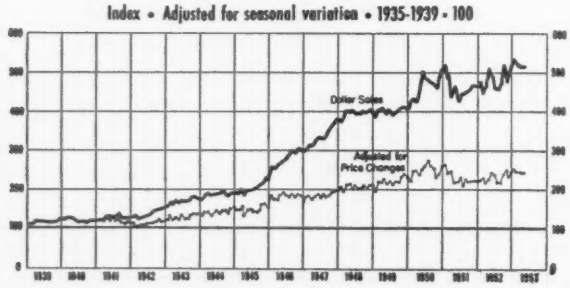
Type of store	Sales (mils of dols)		Percent change		
	Apr 1953	Jan-Apr 1953	Apr 1953 from Apr 1952	Apr 1953 from Mar 1953	Jan-Apr 1953 from Jan-Apr 1952
TOTAL	682.5	2,637.0	+ 9	— 1	+ 11
Durable goods	306.3	1,173.3	+ 13	— 1	+ 15
Nondurable goods	376.2	1,463.7	+ 6	— 1	+ 7

Sales of durable-goods stores for April, adjusted for seasonal variation, exceeded January, the previous high point for the index, although the index for nondurable-goods stores was 6% below the January level.

Automobile sales still high. Sales of new-car dealers have been holding up remarkably well, but among the used-car dealers the picture is not so bright. While there are no figures for stocks of cars in the hands of Texas dealers, figures for all dealers in the United States are probably typical of this area. Ward's Automotive Reports, the businessman's best source of information on the automobile industry, estimated that stocks of new cars in the hands of dealers in April were up approximately 8% from a year before, but that used-car stocks in the hands of new-car dealers were up nearly twice this percentage.

Retail Sales in Texas

Index • Adjusted for seasonal variation • 1935-1939 = 100



Among durable-goods stores, the automobile dealers have shown the most spectacular records. Sales of motor vehicle dealers for April 1953 were 21% above their April 1952 mark; and for the first four months of the year they ran 26% ahead of the same period last year. Sales of furniture and appliance stores for April were up 7% from the preceding April. Cumulative sales for the year were 8% greater than a year before.

Inventories register new high. No information is available on retail inventories in Texas, but the U. S. Department of Commerce data for inventories in the nation as a whole showed a rise during March, bringing their seasonally adjusted value to a new high of $21.2 billion. This level, 4% higher than at the end of March last year, was brought on almost entirely by a steady rise since the end of December. The Federal Reserve Board index of industrial production established new highs in January, February, and March. Estimates for April indicate that the level will not be greatly changed. Since July 1952 the index of manufacturers has risen 27%, but rising retail sales have prevented the level of inventories from rising dangerously. Total business inventories (retail, wholesale, and manufacturing) have risen 3% since last year's August low.

Probably more important than the absolute level of inventories is the ratio of inventories to sales. When the ratio for the current period is compared with that of an earlier period which may be considered normal, it provides a guide for inventory policy. The Office of Business Economics of the Department of Commerce has compiled inventory-sales ratios that are valuable aids in analyzing the present inventory position of retailers in the United States.

Income, sales, and savings. In spite of growing inventories in most lines, the increased volume of retail sales in recent months has more than offset the rise in inventories, with the result that the inventory-sales ratios for March are generally lower than a year ago. For all retailers in the United States the March 1953 ratio was 1.47, compared with 1.56 a year ago. The ratio for all nondurable-goods stores declined from 1.23 in March 1952 to 1.20 in March 1953. For durable-goods stores

RETAIL SALES TRENDS

Source: Bureau of Business Research in cooperation with the Bureau of the Census, U. S. Department of Commerce

Group	Number of reporting establishments	Percent change		
		Apr 1953 from Apr 1952	Apr 1953 from Mar 1953	Jan-Apr 1953 from Jan-Apr 1952
KIND OF BUSINESS				
DURABLE GOODS				
Automotive stores	275	+ 21	— 3	+ 25
Furniture and household-appliance stores	169	+ 7	+ 2	+ 8
Jewelry stores	36	— 2	— 7	— 5
Lumber, building material, and hardware stores	290	+ 4	+ 5	— 7
NONDURABLE GOODS				
Apparel stores	230	— 4	— 3	+ 4
Country general stores	49	x	+ 1	— 1
Department stores	86	— 3	— 3	+ 1
Drug stores	166	+ 2	— 3	+ 4
Eating and drinking places	96	x	— 2	— 3
Filling stations	1,004	+ 4	+ 2	+ 4
Florists	39	+ 1	+ 24	x
Food stores	307	+ 9	— 1	+ 5
General merchandise stores	151	— 2	— 2	+ 2
Liquor stores	10	+ 8	— 5	+ 14
Office, stores, and school supply dealers	42	+ 7	+ 3	+ 3
CITY-SIZE CLASS (1952)				
Over 250,000	1,411	+ 6	— 2	+ 7
100,000 to 250,000	283	+ 5	+ 2	+ 12
50,000 to 100,000	231	+ 9	x	+ 10
2,500 to 50,000	905	+ 6	— 4	+ 8
Under 2,500	115	— 15	x	— 11

xChange is less than one half of one percent.

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

Classification	Number of reporting stores	Credit ratios* Apr 1953	Credit ratios* Apr 1952	Collection ratios† Apr 1953	Collection ratios† Apr 1952
ALL STORES	73	63.6	62.7	46.0	42.7
BY CITIES					
Austin	5	59.2	58.8	49.8	52.0
Bryan	3	48.4	47.3	45.2	43.0
Cleburne	3	40.0	41.0	34.1	36.5
Corpus Christi	3	59.5	58.9	37.9	43.1
Dallas	9	69.1	68.8	44.3	45.7
Denison	3	56.8	55.5	43.5	42.2
El Paso	3	56.6	54.6	32.5	38.3
Fort Worth	4	66.0	63.0	40.8	50.8
Galveston	4	57.7	56.9	45.0	49.2
Houston	6	63.0	61.7	33.4	33.9
San Antonio	6	60.1	60.8	45.6	46.6
Waco	4	59.9	60.0	54.1	55.9
BY TYPE OF STORE					
Department stores (over $1 million)	24	64.7	63.7	39.2	41.6
Department stores (under $1 million)	20	46.3	47.9	43.1	45.2
Dry goods and apparel stores	5	70.8	70.0	53.5	51.9
Women's specialty shops	14	59.3	58.7	42.6	48.0
Men's clothing stores	10	62.4	60.6	50.6	52.2
BY VOLUME OF NET SALES (1952)					
Over $3,000,000	22	64.8	63.8	39.3	41.9
$1,500,000 to $3,000,000	7	60.0	60.2	49.2	52.2
$500,000 to $1,500,000	20	56.8	56.1	47.9	49.8
$250,000 to $500,000	11	40.4	40.4	39.1	41.6
Less than $250,000	13	46.7	49.1	42.8	45.2

*Credit sales as a percent of net sales.

†Collections during the month as a percent of accounts unpaid on the first of the month.

the ratio dropped from 2.22 to 1.94. For new passenger cars, television sets, farm and home freezers, and electric ranges, sales increased faster than inventories, and the ratio declined. Sales of radios, washing machines, and dryers did not increase fast enough to offset the rise in inventories, with the result that the inventory-sales ratios for these lines were higher in March 1953 than a year earlier.

The continued high level of retail sales has been supported by an increasing consumer income, expansion of consumer credit, and a small reduction in the volume of personal savings. Disposable personal income for the first quarter of 1953 increased 1% over that of the last quarter of 1952. But consumer spending declined from an annual rate of $20.5 billion to $19.0 billion, bringing the percentage of disposable income saved from 8.5% during the last half of 1952 down to 7.8% in the first quarter of 1953, a level still higher than the all-1952 average of 7.7%.

Although savings are still holding up well, some are expressing alarm over the steady rise in consumer credit. The total volume of consumer credit outstanding at the end of March was $25,675 million, an increase of over $5 billion since the end of March 1952. The December 31 level was the highest on record for this series. Since this series is not adjusted for seasonal variation, however, there was a strong seasonal factor in the December data. During January and February the volume of credit outstanding declined; but the end of March witnessed an increase of nearly a half-billion dollars. Installment credit, reflecting the large volume of automobile sales during March, accounted for most of the gain. However, all types of consumer credit except charge accounts registered increase.

The trend in retail sales by crop-reporting districts shows more divergence than by city-size groups. Three of the districts report sales to be less than a year ago. The largest decline, 9%, was registered in District 7, the Edwards Plateau. At the other extreme, sales in District 9, the Coastal Prairies, increased 14% over April of last year. When the cumulative sales for the first four months of 1953 are compared with those for the same period of last year, the Edwards Plateau district showed a decline, and all other districts, substantial increases.

JOHN R. STOCKTON

POSTAL RECEIPTS

City	Apr 1953	Mar 1953	Apr 1952	Percent change: Apr 1953 from Apr 1952	Percent change: Apr 1953 from Mar 1953
TOTAL*	$5,591,523	$5,817,243	$5,310,849	+ 5	− 4
Alpine	3,613	3,429	3,833	− 6	+ 5
Arlington	10,356	8,832	7,733	+ 34	+ 17
Bastrop	1,665	1,805	1,901	− 12	− 8
Bay City	8,055	7,221	7,825	+ 3	+ 12
Belton	5,222	5,107	7,159	− 27	+ 2
Borger	12,710	12,066	13,232	− 4	+ 5
Brady	4,403	3,633	4,214	+ 4	+ 21
Brownfield	6,088	6,495	5,823	+ 5	− 6
Cameron	8,360	7,667	8,676	− 4	+ 9
Childress	4,687	4,477	5,440	− 14	+ 5
Cisco	3,953	3,747	4,352	− 9	+ 5
Cleburne	10,161	10,122	9,518	+ 7	x
Coleman	5,218	4,441	5,193	x	+ 17
Crystal City	2,795	2,706	2,903	− 4	+ 3
Cuero	4,445	4,798	4,299	+ 3	− 7
El Campo	6,540	7,636	6,534	x	− 14
Gainesville	10,017	8,665	9,154	+ 9	+ 16
Gatesville	3,426	3,335	6,306	− 47	+ 3
Giddings	2,509	1,740	2,310	+ 9	+ 44
Goldthwaite	1,818	1,268	1,899	− 4	+ 43
Graham	4,943	4,772	4,714	+ 5	+ 4
Granbury	1,261	1,469	1,188	+ 6	− 14
Grand Prairie	10,466	12,709	9,555	+ 10	− 18
Hillsboro	4,819	5,053	5,722	− 16	− 5
Huntsville	6,474	6,632	6,513	− 1	− 2
Jacksonville	9,717	10,686	9,133	+ 6	− 9
Kenedy	3,252	3,088	3,179	+ 2	+ 5
Kermit	5,232	4,847	5,382	− 3	+ 8
Kerrville	8,218	7,484	7,472	+ 10	+ 10
Kingsville	10,392	8,826	9,320	+ 12	+ 18
La Grange	4,193	4,223	3,779	+ 11	− 1
Luling	3,164	2,719	2,958	+ 7	+ 16
McCamey	3,303	2,584	3,283	+ 1	+ 30
Mission	6,484	5,520	5,758	+ 12	+ 17
Navasota	4,327	2,933	3,803	+ 14	+ 48
Pasadena	12,463	13,794	11,707	+ 6	− 10
Pecos	8,030	7,184	7,037	+ 14	+ 12
Rockdale	4,008	2,791	2,740	+ 46	+ 44
Terrell	4,711	4,931	4,631	+ 2	− 4
Uvalde	6,948	4,840	5,403	+ 29	+ 44
Vernon	11,243	8,093	10,459	+ 7	+ 39
Victoria	20,170	17,234	16,983	+ 22	+ 20
Weatherford	6,379	6,832	7,499	− 15	− 7
Yoakum	9,796	9,861	9,752	x	− 1

*The total includes receipts for cities which are listed individually under "Local Business Conditions."

xChange is less than one half of one percent.

INDUSTRIAL PRODUCTION

Texas power use remains firm. Total use of electric power in Texas gained 4% from March to April (equivalent to a 1% rise after adjustment to the normal seasonal pattern) to reach a level 19% above that of April 1952. Although actual use of power by Texas industries was up 2% from March to April, the usual change between these two months is slightly greater than that; hence the seasonally adjusted industrial power index was down 1% from its March value.

ELECTRIC POWER CONSUMPTION

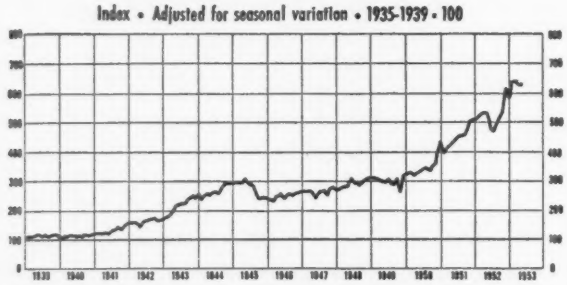
Use	Consumption (thous of kw-hrs) Apr 1953	Mar 1953	Apr 1952	Percent change Apr 1953 from Apr 1952	Apr 1953 from Mar 1953
TOTAL	1,167,788	1,123,531	981,022	+ 19	+ 4
Commercial	199,899	183,907	173,850	+ 15	+ 9
Industrial	563,842	553,832	483,058	+ 17	+ 2
Residential	165,315	168,681	150,534	+ 10	− 2
Other	241,232	217,161	173,580	+ 39	+ 11

Prepared from reports of 10 electric power companies to the Bureau of Business Research.

Actual consumption of power for residential purposes was also down during the month; however, the arrival of summer heat in most parts of the state during May was believed likely to turn consumption of residential power upward once more, for the air-conditioning season has become a conspicuous feature in the pattern of Texas power use.

Industrial Electric Power Use in Texas

Index • Adjusted for seasonal variation • 1935-1939 • 100



Sulfur: On land and at sea. A million-gallon torrent of hot water will be pumped daily into the earth at Long Point Dome, south of Houston, upon completion of the new Lone Star Sulfur Corporation plant there. The hot water, to be injected through Frasch wells, will melt and flush to the surface an expected daily output of 400 tons of native sulfur. No completion date has been set for the installation.

Nor is there even a beginning date in sight for sulfur exploration on the submerged tidelands, currently being restored from federal to state control. Sulfur producers, however, are already questioning a provision of the second tidelands bill which is said to give oil and gas companies preferential treatment in tidelands mineral leasing procedure. President Fred M. Nelson of the Texas Gulf Sulphur Company has testified before the Senate Interior Committee that Gulf tidelands sulfur deposits alone may be worth as much as $3 billion.

WELL COMPLETIONS

Source: *The Oil and Gas Journal*

Region	April 1953* Oil	Gas	Dry	Total	January-April 1953	1952
TEXAS	952	116	616	1,683	6,026	6,230
North Central	376	8	283	667	2,130	1,919
West	268	5	88	361	1,427	1,923
Panhandle	48	51	10	109	301	240
Eastern	29	4	37	70	290	326
Gulf Coast	99	27	105	231	926	935
Southwest	132	21	93	246	952	887

*For five weeks ending May 2, 1953.

Manufacturing in East Texas. Equipment for oil production and refining and various allied industries will be manufactured at the $2 million Grove Controls, Inc., plant now under construction at Longview. The company reports that a beginning payroll of 300 will be drawn from the local labor pool.

Resistol Hats, Inc., will shortly move fur-felting hatbody equipment to a new $400,000 plant to be set up in East Texas at a location not yet announced.

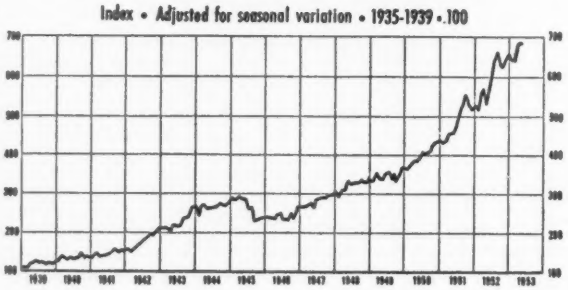
Conroe will be the site of a new aircraft parts plant, a unit of The Marine Aircraft Corporation. It is expected that 300 employees will eventually work in the installation, which will occupy buildings of a former naval air station. In addition to maintaining a large payroll, the plant will award subcontracts totaling as much as $1 million to other industries in the area.

Lone Star is rising star in steel. The increase in sales from 1952 to 1953: 75%. The product: steel goods from the East Texas works of the Lone Star Steel Company. This is the optimistic outlook taken by E. B. Germany, president of the steel firm. Mr. Germany credits the expected gain partly to the company's new mill for producing tubular steel goods and partly to the fact that work stoppages and forced shutdowns made 1952 a disappointingly poor year at Lone Star. Sales last year sank slightly from the year before to just below $20 million. Mr. Germany looks for a $35-million year in 1953 and believes that 1954 sales may reach $45 million to $50 million.

The key to the company's growth, its tubular mill, is designed to produce 350,000 tons of tubular goods yearly. And these products can be shipped to Texas industries and oil fields at substantially lower freight rates than are charged for movement of the same products from the East.

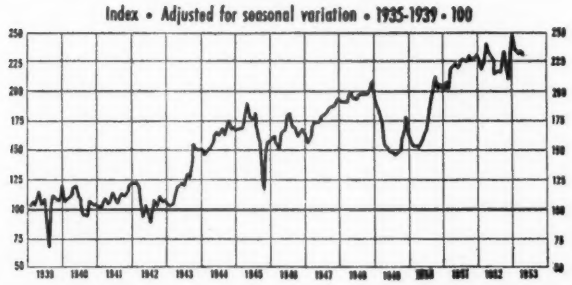
Total Electric Power Use in Texas

Index • Adjusted for seasonal variation • 1935-1939 • 100



Crude Petroleum Production

Index • Adjusted for seasonal variation • 1935-1939 • 100



Expansion in hydrocarbons industries. Early last year, the Fort Chadbourne Field in Coke and Runnels counties was shut in by order of the Railroad Commission of Texas to prevent the waste of about 11 million cubic feet of gas a day, the amount flared in the field. With the field officially uncorked once again, the renewed flow of gas is being channeled through a new $3-million gasoline plant to be stripped of its liquid fractions before being returned to the field for repressuring the reservoir.

Lone Star Producing Company, which operates the new plant, expects to process 30 million cubic feet of gas daily, 60% of the plant's maximum capacity, and to sweep 150,000 gallons of gasoline, butane, and propane from that amount of gas.

While natural gas is being stripped of its gasoline content in West Texas, two new plants to the east—one in Fort Worth, one in Longview—will be making polymerized gasoline. This gasoline is produced by piping refinery gases otherwise burned for boiler fuel into a phosphoric acid catalytic unit, where the small gas molecules are linked under heat and pressure to form heavier gasoline molecules. Premier Oil Refining Company, owner of both plants, has already placed the Longview installation in operation. The Fort Worth unit is part of an over-all expansion program which also includes construction of a $2-million catalytic cracking unit and a gas concentration unit.

Valuable by-product gases from petroleum refining are also being processed at the new Port Arthur plant of the Koppers Company. This link in the sprawling Koppers chemical network will take ethylene gas from the nearby refinery of Gulf Oil Corporation, an industrial ally of Koppers, and will combine the gas with benzene, a petroleum and coal by-product in which Koppers pioneered. These two hydrocarbons are combined to form ethylbenezene, an intermediate product that will be shipped to a Koppers plant in Pennsylvania for the making of styrene monomer, used in the manufacture of synthetic rubber, resins, and polystyrene plastics. Tests indicate that Koppers' Port Arthur unit can produce enough

REPORTED PETROLEUM PRODUCTION

Source: Oil and Gas Division, Railroad Commission of Texas

Oil and gas district	Dec 1952	January-December 1952	January-December 1951	Percent change
	In barrels			
TEXAS	90,718,121	1,009,470,259	990,981,986	+ 2
District 1	1,118,824	12,360,934	11,996,941	+ 3
District 2	5,106,458	56,974,537	58,943,729	— 3
District 3	14,892,021	165,939,013	171,383,787	— 3
District 4	8,354,107	93,246,716	92,452,279	+ 1
District 5	1,605,010	19,328,618	18,967,639	+ 2
District 6	12,005,667	140,814,858	141,347,781	x
District 7b	3,488,170	35,271,270	30,149,165	+ 17
District 7c	5,391,438	53,302,150	35,988,102	+ 48
District 8	30,618,838	341,605,046	341,617,737	x
District 9	5,751,908	61,655,305	57,210,607	+ 8
District 10	2,885,680	28,971,812	30,951,219	— 6

xChange is less than one half of one percent.

REFINERY STOCKS

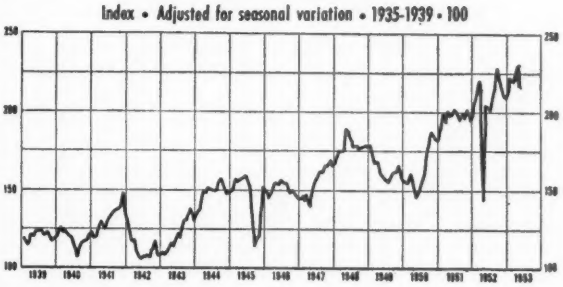
Source: *The Oil and Gas Journal*

Area and product	Stocks (thousands of barrels) Apr 1953	Mar 1953	Apr 1952	Percent change Apr 1953 from Apr 1952	Apr 1953 from Mar 1953
UNITED STATES					
Gasoline	157,599	162,878	155,367	+ 1	— 3
Distillate	61,314	59,757	51,274	+ 20	+ 3
Residual	38,989	41,002	38,526	+ 1	— 5
Kerosene	20,040	18,417	18,546	+ 8	+ 9
TEXAS					
Gasoline	27,243	28,694	30,179	— 10	— 5
Distillate	10,092	8,123	7,757	+ 30	+ 24
Residual	7,490	7,441	6,920	+ 8	+ 1
Kerosene	3,535	2,370	3,324	+ 6	+ 49

Figures shown for week ending nearest last day of the month.

Crude Oil Runs to Stills in Texas

Index • Adjusted for seasonal variation • 1935-1939 • 100



PETROLEUM AND GAS ACTIVITY

Source: State Comptroller of Public Accounts and Oil and Gas Division, Railroad Commission of Texas

Product	Apr 1953	Mar 1953	Apr 1952	Percent change Apr 1953 from Apr 1952	Apr 1953 from Mar 1953
CARBON BLACK PRODUCED (value in thous of dols)	2,000	3,106	174	+1149	— 36
CRUDE OIL					
Value (thous of dols)	210,879	214,689	225,693	— 7	— 2
Production (thous of bbls)	81,886	82,807	88,437	— 7	— 1
Runs to stills (thous of bbls)	60,500	63,774	58,045	+ 4	— 5
NATURAL AND CASINGHEAD GAS PRODUCED (value in thous of dols)	29,452	35,623	25,745	+ 14	— 17
SULFUR PRODUCTION (long tons)	937	0	738	+ 27	—

ULTIMATE DISPOSITION OF ALL REPORTED NATURAL GAS PRODUCED IN TEXAS

Source: Railroad Commission of Texas and U.S. Bureau of Mines

	Reported gas (millions of cubic feet)			Percent change	
	1952	1951	1940	1952 from 1940	1952 from 1951
Extraction loss	174,260	161,987	56,210	+210	+ 7
Plant fuel and lease use	381,864	355,948	216,583	+ 76	+ 7
Gas lift	105,154*	168,780	52,003	.....	.....
Pressure maintenance, repressuring, and cycled	784,892	856,931	265,677	+195	— 8
Carbon black	258,985	332,129	326,050	— 21	— 22
Transmission lines	3,199,003	2,750,334	494,826	+546	+ 16
Consumed in state	1,192,589	1,066,317	255,376	+367	+ 12
Exported from state	2,006,464	1,684,017	239,450	+738	+ 19
Percent of marketed production	47.2	44.5	22.5	+110	+ 6
Vented	185,219*	47,426	132,740	.....	.....
Total gas reported	5,089,377*	4,673,535	1,544,089	.....	.....
Marketed production	4,252,100	3,781,186	1,063,538	+300	+ 12

*Data not comparable with previous years.

ethylbenezene for more than 100,000 pounds of styrene a year.

Forty years ago in France, Conrad and Marcel Schlumberger discovered that various strata of rock differed in their ability to conduct an electric current and that the presence of a fluid, such as water or oil, affected the electric characteristics of rock formations. Applying this principle, the brothers built a geological exploration firm that now offers technical services to more than 4,000 oil industry clients every year. May 4, the Schlumberger Well Surveying Corporation opened a new $6 million plant in Houston to serve as headquarters for research, administration, and maintenance of the electric logging service. In one unit of the plant, 10-wheel truck chassis are wheeled into a shop where 91 workmen lace them with thousands of feet of armored electric cable and install a maze of electrical and photographic equipment. When each truck is finished, it represents a $50,000 mobile oil exploration laboratory, ready to lead drillers to locations where oil may be deposited.

ROBERT H. RYAN

MANUFACTURE OF DAIRY PRODUCTS

Product	Apr 1953	Mar 1953	Apr 1952	Percent change: Apr 1953 from Apr 1952	Percent change: Apr 1953 from Mar 1953
TOTAL PRODUCTION IN MILK EQUIVALENT (thous of lbs)	70,810	54,069	47,723	+ 48	+ 31
Creamery butter (thous of lbs)	1,386	919	600	+131	+ 51
Ice cream (thous of gals)	1,804	1,849	2,050	— 12	— 2
American cheese (thous of lbs)	534	300	490	+ 9	+ 78
Cottage cheese (thous of lbs)	552	262	587	— 6	+111
Concentrated milk products (thous of lbs)	7,028	4,635	2,519	+179	+ 52

Milk equivalent of dairy products is calculated from production data.

FOREIGN TRADE

Trade through Corpus Christi improves. The Port of Corpus Christi, Texas' second port in tonnage, marked a prosperous year in 1952. Total tonnage shipped from the three divisions—Corpus Christi, Harbor Island, and Ingleside — was 25,634,898 tons on 3,218 ship sailings. Petroleum and petroleum products are the major commodities handled by the port. Last year 81,169,072 barrels of crude and refined petroleum products along with 71,348,456 barrels of petroleum derivatives moved through Corpus Christi port facilities.

Significant among commodities exported were petroleum products, cotton, and carbon black. Goods weighing 684,801 tons were exported to foreign countries in 1952, a gain of 145,859 tons over the preceding year.

The Nueces County Navigation District's North Shore Channel was completed in February to provide improved and extended service to the Ingleside division. Reynolds Metals Company's new La Quinta alumina conversion plant makes direct use of this channel for imports of bauxite from the island of Jamaica.

U.S. EXPORTS AND IMPORTS OF MERCHANDISE

Source: Foreign Trade Division, Bureau of the Census

	Mar 1953	January-March 1953	January-March 1952	Percent change
	Value (millions of dollars)			
EXPORTS				
Domestic and foreign	1,377.8	3,851.1	4,044.4	— 5
Domestic	1,368.0	3,818.5	4,005.9	— 5
IMPORTS				
General	1,004.2	2,787.6	2,779.0	x
For consumption	992.0	2,753.9	2,788.7	— 1

xChange is less than one half of one percent.

Cost of this channel totaled about $1,100,000, of which a recent Navigation District bond issue supplied $475,000. Additional improvements planned for the Port of Corpus Christi include widening of the waterway and relocating the bascule bridge that spans the entrance to the port's main basin. Port officials are confident of an increasing volume of waterborne commerce through the expanding facilities at the Port of Corpus Christi.

U. S. merchandise trade. Total U. S. exports of foreign and domestic merchandise for the first quarter of 1953 were valued at $3,851.1 million. Exports, including military shipments under the Mutual Security Program, represent a decrease of $193.3 million from shipments made in the same period last year. However, general imports, totaling $2,787.6 million for the period, reveal a slight increase, $8.6 million.

Despite narrowing of the export-over-import merchandise gap by $201.9 million, MSP military aid exports, considerably higher in the first quarter of 1953 than in the corresponding period in 1952, prevented a further closing of the present merchandise gap of $1,063.5 million. Total Department of Defense shipments during the current period amounted to $868.7 million, a substantial gain over the $265.6 million exported in the first three months of 1952.

FRANK T. CADENA

PRICES

Wholesale, consumer prices diverge. The wholesale cost of all commodities stood at 109.9% of the average 1947–49 level on May 12, according to the Bureau of Labor Statistics index series. This was considerably lower than the 116.6 index point registered in May 1952. The index of farm-product prices in particular, standing at 98.5, showed current price weakness. On the other hand, the index of consumer prices (all items) rose slightly from the March level to 113.7 in April (1947–49 = 100.) This was 1% higher than the year-ago figure, and only slightly below the average of the last six months of 1952. The wholesale price series (particularly farm products) and the consumer price index therefore continue to move in different directions, and weak prices continue to harass the agricultural producer.

Much has recently been written and said with respect to the continuance of parity price measures. In the face of consistent declines in the parity ratio, the arguments of the primary agricultural producers for continued price supports take on both urgency and cogency. Yet it can be argued that the rationale behind price support as a continuing practice is defective. U. S. insistence upon high prices of wheat on the international market has caused the British to withdraw from the International Wheat Agreement with the observation that American domestic price policies should not be allowed to influence world prices. Irrespective of whether or not this action was justified, the fact remains that American producers are now left with a price support in the hand, and a major consumer in the international bush.

This is only one example of the two-edged nature of the price support weapon. The same is true of the import quota system. To those producers entrenched in strong competetive positions, free trade may offer the opportunity for a wider market with little competitive risk. But to others, a free market may threaten the economic basis of their existence. Congress is currently considering arguments of two widely different types of producer, both pressing for economic protection against competing imports. The alarm felt within the wool industry has recently been voiced by the President of the National Wool Growers Association; in emphasizing the necessity for passing a parity protection measure to apply to imported wools, he speaks in terms of this being a last-ditch stand, and states that the wool grower cannot continue in business unless the present tariff rate is raised.

INDEXES OF CONSUMERS' PRICES IN THE UNITED STATES

(1947–49=100)

Source: Bureau of Labor Statistics, U. S. Department of Labor

Index	Apr 1953*	Mar 1953	Apr 1952	Percent change: Apr 1953 from Apr 1952	Percent change: Apr 1953 from Mar 1953
ALL ITEMS	113.7	113.6	112.9	+ 1	x
Food	111.5	111.5	113.9	— 2	0
Housing	117.0	116.8	114.0	+ 3	x
Apparel	104.5	104.6	106.0	— 1	0
Transportation	129.4	129.3	124.8	+ 4	x
Medical care	120.0	119.5	115.9	+ 4	x
Personal care	112.5	112.4	111.3	+ 1	x
Rest and recreation	107.9	107.7	106.2	+ 2	x
Other	117.9	117.5	115.2	+ 2	x

xChange is less than one half of one percent.
*Preliminary.

INDEXES OF WHOLESALE PRICES IN THE UNITED STATES

(1947–49=100)

Source: Bureau of Labor Statistics, U. S. Department of Labor

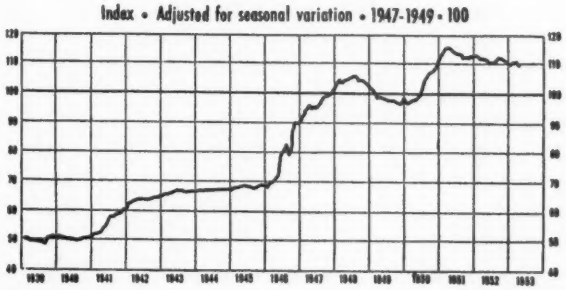
Index	1953* May 12	1953* May 5	Apr 1953	May 1952
ALL COMMODITIES	109.9	109.9	109.4	116.6
Farm products	98.5	99.0	97.5	107.9
Food	104.5	104.5	103.2	108.6
All others	113.4	113.4	113.3	113.0

*Estimates of the index for the week ending on date given.

Similarly, the small independent oil producers are pressing for a quota on oil imports, which are playing an increasingly important part in the consumption pattern of the petroleum industry. It is maintained that the present volume of oil imports is inhibiting domestic oil production and sales. Some of the major companies have voluntarily offered to restrict imports from their foreign subsidiaries, but it is unlikely that this self-discipline will allay the fears of the small producers.

Wholesale Prices in the U.S.

Index • Adjusted for seasonal variation • 1947-1949 • 100



These three examples of conflict underline the difficulties which face the administration of any economic program. In the face of strong arguments advanced by sectional groups, an impersonal approach is difficult. In view of the evident conflict between economic theory and economic expediency in the sphere of commodity pricing, however, it seems likely that some resolving of the problem must be reached in the near future. With the prospect of economic readjustment within the next year or so, and with a possible revision of the total price structure, many current preconceptions will necessarily have to be revised also. One of the most important of these questions will be the utility of price-support programs: whether the economy can afford continuing support to marginal producers, or whether national security can afford not to have them.

ALFRED G. DALE.

AGRICULTURE

Contrasting pictures in East and West. Agricultural conditions in the eastern and western halves of the state continued to differ sharply through May. In the eastern "wet" half, stands of the new crops generally are good, and pastures are heavily covered with new grass. In the western portions where 1952's drouth was felt hardest, conditions are far less favorable.

Hardest hit of the state's agricultural groups were West Texas livestock raisers, who continued to stagger under the impact of price drops and drouth. Choice slaughter steers that brought over $36 per hundredweight a year earlier were scarcely over $21 in early May. Expensive supplemental feeding and stock movements continued as ranges responded slowly to light, scattered rains. Thus ranchmen were faced with the grim dilemma of deciding what to do with livestock that were too cheap to sell, too expensive to keep.

Fading wheat prospects. Prospects for Texas wheat production continued to fade through April and early May as drouth, dust, and blustery winds slowly exacted their tolls. Particularly were conditions discouraging in the Panhandle. Here mid-May's scattered rains came too late, for already vast acreages of wheat had been plowed under or turned into pasturage. Only in a few spots in rain-favored North Texas were conditions anywhere near encouraging. As a result of the generally adverse conditions, the United States Department of Agriculture May estimate of the year's wheat crop for the state dropped to 23,031,000 bushels. Only a month before the estimate had been placed at 30,126,000 bushels—well below last year's 34,626,000 bushels and a "good year's" crop average of around 60,000,000 bushels.

Improved vegetable outlook. The state's crop of spring vegetables, as estimated by the USDA on May 1, will show a 36% increase over 1952's level and an 11% gain over the 1949–51 average. In the Lower Rio Grande Valley heavy movements of tomatoes and sweet corn were under way. Reports from South and East Texas indicated good progress was made by cantaloups and watermelons, although some areas suffered severe rain or hail damage. Generally, moisture was sufficient in the vegetable producing areas; but in the irrigated fields of the Rio Grande Valley much concern was expressed as the river reached a record low level from Laredo to the Gulf.

FARM CASH INCOME

Commodity	January-April Value (thousands of dollars) 1953	1952	Percent change
TEXAS	437,448	554,631	— 21
Cotton	110,820	168,371	— 34
Cottonseed	1,934	6,267	— 69
Wheat	11,375	4,656	+144
Oats	959	547	+ 75
Corn	3,106	4,721	— 34
Grain sorghum	8,310	13,879	— 40
Peanuts	1,294	1,469	— 12
Cattle	87,647	130,181	— 33
Calves	28,824	32,019	— 10
Hogs	29,272	32,989	— 11
Sheep and lambs	5,324	4,270	+ 25
Wool	2,243	7,093	— 68
Mohair	4,884	4,743	+ 3
Poultry	19,603	17,743	+ 10
Eggs	30,141	25,932	+ 16
Milk and milk products	71,221	73,890	— 4
Fruit and vegetables	20,491	25,862	— 21

Farm cash income as computed by the Bureau understates actual farm cash income by from 6 to 10%. This situation results from the fact that means of securing complete local marketings, especially by truck, have not yet been fully developed. In addition, means have not yet been developed for computing cash income from all agricultural specialties of local importance in scattered areas. This situation does not impair the accuracy of the index shown on page 24.

CARLOAD SHIPMENTS OF LIVESTOCK*

Source: Bureau of Business Research in cooperation with the Bureau of Agricultural Economics, U. S. Department of Agriculture

Classification	Apr 1953	Mar 1953	Apr 1952	Percent change: Apr 1953 from Apr 1952	Percent change: Apr 1953 from Mar 1953
TOTAL SHIPMENTS	6,378	2,072	8,369	— 24	+208
Cattle	5,691	1,699	7,380	— 23	+235
Calves	365	171	580	— 37	+113
Hogs	2	14	40	— 95	— 86
Sheep	320	188	369	— 13	+ 70
INTERSTATE PLUS FORT WORTH	6,003	1,780	8,033	— 25	+237
Cattle	5,385	1,440	7,188	— 25	+274
Calves	308	162	494	— 38	+ 90
Hogs	.....	12	1	.....	.....
Sheep	310	166	350	— 11	+ 87
INTRASTATE MINUS FORT WORTH†	375	292	336	+ 12	+ 28
Cattle	306	259	192	+ 59	+ 18
Calves	57	9	86	— 33	+533
Hogs	2	2	39	— 95	0
Sheep	10	22	19	— 47	— 55

*Rail-car basis: cattle, 30 head per car; calves, 60; hogs, 80; and sheep, 250.

†Intrastate truck shipments are not included. Fort Worth shipments are combined with interstate forwardings in order that the bulk of market disappearance for the month may be shown.

FRUIT AND VEGETABLES

Source: Compiled from reports of Bureau of Agricultural Economics, U. S. Department of Agriculture

Item	January-April Rail shipments (carloads) 1953	1952	Percent change
FRUIT	159	.....	.....
Cantaloups	4	.....	.....
Grapefruit	43	.....	.....
Lemons	23	.....	.....
Oranges	83	.....	.....
Tangerines	1	.....	.....
Mixed citrus	5	.....	.....
VEGETABLES	17,839	17,651	+ 2
Beets	135	195	— 31
Broccoli	22	54	— 59
Cabbage	1,390	2,186	— 36
Carrots	3,798	3,269	+ 16
Cauliflower	115	162	— 29
Corn	119	30	+297
Greens	11	8	+ 38
Lettuce	1,232	1,134	+ 9
Onions	4,455	3,925	+ 14
Potatoes	40	26	+ 54
Spinach	1,009	1,074	— 6
Tomatoes	606	271	+124
Mixed vegetables	4,826	5,167	— 7
Other	81	60	+ 35

Falling agricultural prices. Prices received by Texas farmers for their products dropped once again in April, recording over-all decreases of 2% from the preceding month and 19% from April of 1952. Losses were felt in nearly all product groups, although crops suffered most with a 4% drop for the month. Most significant of losses in this group was that for truck crops, down 35% from the March level. Other significant monthly drops were recorded for food grains (—4%) and feed grains and hay (—5%). In contrast with other crops, cotton gained 2%. Prices paid for livestock and products fell, the average being about —1%. Dairy products accounted for most of this decrease with a 4% drop, but meat animals (—1%) also contributed. Wool prices were up about 2%.

RAYMOND V. LESIKAR.

COTTON

Cotton marketing uncertain. The cotton world is currently beset with many difficulties, particularly in regard to supplies. The total U.S. supply for this year was only about a half-million bales greater than last year's. Yet, domestic consumption to date is some 100,000 bales higher than for the comparable part of last year. The significant changes have been in the export pattern. Exports are about 2.3 million bales behind last year. This fact, however, is not so important, market-wise, as it may superficially appear to be, for stocks of U.S. cotton in foreign markets are about 2 million bales less than at this time last year.

The major price-determining factors in the cotton market relate to prospects for the new crop and to the hostile international situation. There is still confidence that this year's crop will be large, but such confidence has weakened during recent weeks. The market seems to have discounted the possibility of settlement of the war issues in the immediate future. The net result is that the price of cotton has little chance to move substantially unless it is in the direction of gain, for the price level is already close to the guaranteed, non-recourse loan level.

A. B. COX.

INDEXES OF PRICES RECEIVED BY FARMERS

(1909–14=100)

Source: Bureau of Agricultural Economics, U. S. Department of Agriculture

Product	Apr 1953	Mar 1953	Apr 1952	Percent change: Apr 1953 from Apr 1952	Percent change: Apr 1953 from Mar 1953
ALL FARM PRODUCTS	279	286	346	— 19	— 2
ALL CROPS	255	265	303	— 16	— 4
Food grains	267	269	246	+ 9	— 1
Feed grains and hay	211	223	239	— 12	— 5
Potatoes and sweet potatoes	359	362	316	+ 14	— 1
Fruit	147	147	240	— 39	0
Truck crops	266	412	430	— 38	— 35
Cotton	248	244	300	— 17	+ 2
Oil-bearing crops	324	328	333	— 3	— 1
LIVESTOCK AND PRODUCTS	311	314	402	— 23	— 1
Meat animals	340	342	522	— 35	— 1
Dairy products	262	272	278	— 6	— 4
Poultry and eggs	250	250	210	+ 19	0
Wool	373	366	342	+ 9	+ 2

TEXAS COTTON ACTIVITY

Source: Bureau of the Census, U. S. Department of Commerce

Item	Mar 1953	Feb 1953	Mar 1952	Percent change: Mar 1953 from Mar 1952	Percent change: Mar 1953 from Feb 1953
COTTONSEED (thous of tons)					
Received at mills	4,763	12,911	6,277	— 24	— 63
Crushed	116,103	114,309	119,011	— 2	+ 2
Stocks, end-of-month	216,679	328,019	194,160	+ 12	— 34
CONSUMPTION (running bales)					
Cotton	13,517	11,616	11,814	+ 14	+ 16
Linters	2,203	2,697	2,772	— 21	— 18
SPINDLES (thousands)					
Spindles in place	226	225	222	+ 2	x
Spindles active	208	212	204	+ 2	— 2
Total spindle hours	88,000†	86,000	82,000	+ 7	+ 2
Average spindle hours	389	382	369	+ 5	+ 2

†For four weeks ending March 28, 1953.
xChange is less than one half of one percent.

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF MAY 1, 1953

Year	Carryover Aug 1	Imports to May 1*	Government final ginnings total Mar 20*	Total	Consumption to May 1	Exports to May 1	Total	Balance as of May 1
1943–44	10,687	127	11,129	21,943	7,581	943	8,524	13,419
1944–45	10,727	108	11,839	22,674	7,279	1,126	8,405	14,269
1945–46	11,164	262	8,813	20,239	6,770	2,320	9,090	11,149
1946–47	7,522	203	8,513	16,238	7,802	2,634	10,436	5,802
1947–48	2,521	225	11,552	14,206	7,131	1,686	8,817	5,389
1948–49	2,823	154†	14,540	17,517	6,162	2,958†	9,120	8,397
1949–50	6,283	240†	15,908	21,431	6,689	3,755†	10,444	10,987
1950–51	6,846	154†	9,899	16,899	8,282	2,932†	11,164	5,735
1951–52	2,179	67†	15,050	17,296	7,060	4,557†	11,167	5,679
1952–53	2,745	137†	14,951	14,833	7,151	2,244†	9,435	8,398

The cotton year begins August 1, and figures are in thousands of running bales except as noted.
*In 478 pound bales.
†To April 1 only.

LABOR

Texas labor market notes. Area labor market classifications in March indicate that while employment totals continue high, labor supplies are keeping pace with the expansion. The recent bimonthly survey, conducted by the U. S. Department of Labor, again revealed that all the 14 major labor market areas analyzed in Texas were either in the Group II or Group III classifications. As in January, Dallas and Houston were ranked in Group II, which comprises those areas with a balanced labor supply; the other twelve regions remained in Group III, areas of moderate labor surplus. Improvement in the employment situation over the past year can be measured in the shift of Houston from Group III to Group II, evidence of better balance in its labor supply.

National labor balance. The Bureau of Employment Security determined that of the 182 principal U. S. areas classified, 5 registered a labor shortage, 78 had a balanced labor supply, 82 were areas of moderate labor surplus, and 17 were ranked as areas of substantial labor surplus (*i.e.*, unemployment totalling at least 6% of the civilian labor force).

The labor situation improved enough in New Bedford, Massachusetts, since January to move from Group IV to Group III; all the remaining areas of substantial labor surplus, except Tacoma, Washington, were east of the Mississippi River. Nevertheless, total March employment for the nation set a new record for the month. The approximately 61.1 million civilians employed represent a gain of 500,000 over February and an increase of 1.7 million over March a year ago.

In Texas, nonfarm employment in the Texas Employment Commission's 17 labor markets likewise continued to advance during April; moreover, there are indications that further improvement can be expected through May. During the period, employers in leading Texas cities hired hundreds of workers to swell total employment to near Christmas-peak levels. The largest numerical gains were reported from Dallas (1,500), Texarkana (750), and El Paso (600). Texarkana scored the greatest relative increase with a 2% change over March totals.

Unemployment fell as employment advanced. Not all the workers finding jobs in April, however, came from the unemployment pool. Many came from the increase in the nonfarm civilian labor force, and were either new job seekers or those workers who had laid off in the preceding months and had temporarily withdrawn from the labor market.

Significant decreases in unemployment were reported from Dallas (— 15%) and San Antonio (— 11%). Nevertheless, the fall in San Antonio, amounting to 1,100, coincided with a decrease of 1,865 in the labor pool and a corresponding drop in employment totaling 765. On the other hand, the increase of 1,500 workers in the Dallas area resulted from a combined fall in unemployment plus a rise in the labor force. Approximately 1,050 March job seekers found work in April, and an additional 450 entered the labor market during the month.

Men vs. machines in supply depot. Kelly Air Force Base in San Antonio, acclaimed as the world's largest air depot, is utilizing the latest machine methods devised by technicians. Armed with a new mile-long conveyor, aircraft loading and unloading operations now take a quarter the time they took with conventional procedures and equipment.

FRANK T. CADENA

ESTIMATES OF NONAGRICULTURAL EMPLOYMENT

Source: Texas Employment Commission in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor

Industry	Employment (thousands)			Percent change	
	Apr 1953	Mar 1953	Apr 1952	Apr 1953 from Apr 1952	Apr 1953 from Mar 1953
TOTAL	2,270.0	2,250.9	2,186.3	+ 4	+ 1
TOTAL MANUFACTURING	437.3	437.9	420.3	+ 4	x
Durable goods	208.1	207.6	202.7	+ 3	x
Ordnance	11.1	11.3	10.7	+ 4	— 2
Lumber and wood products	27.6	27.5	28.9	— 4	x
Furniture and fixtures	10.3	10.4	9.5	+ 8	— 1
Stone, clay, and glass	15.4	15.3	15.0	+ 3	+ 1
Primary metals	21.8	21.4	20.3	+ 7	+ 2
Fabricated metal products	17.5	17.4	16.7	+ 5	+ 1
Machinery (except electrical)	37.8	38.0	36.5	+ 4	— 1
Electrical equipment	3.6	3.4	3.0	+ 20	+ 6
Transportation equipment	56.9	56.7	56.3	+ 1	x
Other durable goods	6.1	6.2	5.8	+ 5	— 2
Nondurable goods	229.2	230.3	217.6	+ 5	x
Food	62.2	63.0	60.0	+ 4	— 1
Textile mill products	9.8	10.0	9.3	+ 5	— 2
Apparel	32.6	32.6	28.7	+ 14	0
Paper and allied products	6.6	6.8	6.6	0	— 3
Printing and publishing	25.0	24.8	23.9	+ 5	+ 1
Chemical and allied products	39.3	39.4	37.3	+ 5	x
Petroleum products	48.8	48.9	47.5	+ 3	x
Leather and leather products	2.4	2.4	2.2	+ 9	0
Other nondurable goods	2.5	2.4	2.1	+ 19	+ 4
TOTAL NONMANUFACTURING	1,382.7	1,813.0	1,766.0	+ 4	+ 1
Mining	126.2	126.1	121.6	+ 4	x
Petroleum and natural gas	119.3	119.5	114.8	+ 4	x
Metal, coal, and other mining	6.9	6.6	6.8	+ 1	+ 5
Contract construction	172.1	167.5	166.0	+ 4	+ 3
Transportation and utilities	233.0	235.4	229.8	+ 1	— 1
Interstate railroads	66.2	66.1	65.5	+ 1	x
Other transportation	94.3	96.5	95.9	— 2	— 2
Telephone and telegraph	37.6	37.7	34.6	+ 9	x
Public utilities	34.9	35.1	33.8	+ 3	— 1
Government	328.0	329.6	319.6	+ 3	x
Trade	605.4	596.1	580.4	+ 4	+ 2
Wholesale trade	150.4	151.6	148.2	+ 1	— 1
Retail trade	455.0	444.5	432.2	+ 5	+ 2
General merchandise	82.0	79.5	78.7	+ 4	+ 3
Food and liquor stores	75.9	75.2	71.9	+ 6	+ 1
Automotive	51.7	51.0	49.2	+ 5	+ 1
Apparel	28.3	27.4	31.8	— 11	+ 3
Other retail trade	217.1	211.4	200.6	+ 8	+ 3
Finance, insurance, and real estate	95.4	94.0	86.8	+ 10	+ 1
Banks and trust companies	24.5	24.3	21.3	+ 15	+ 1
Insurance	38.0	38.0	34.7	+ 10	0
Real estate and finance	32.9	31.7	30.8	+ 7	+ 4
Service and miscellaneous	272.6	264.3	261.8	+ 4	+ 3
Hotels and lodging places	25.5	25.4	25.2	+ 1	x
Laundries and cleaners	30.2	29.2	30.3	x	+ 3
Other business services	216.9	209.7	206.3	+ 5	+ 3

xChange is less than one half of one percent.

*Preliminary.

FINANCE

Deposits decrease slightly. A slight decrease (1%) in April's total deposits other than interbank was indicated by reporting member banks of the Eleventh Federal Reserve District, although the month's total ($3,049 million) was 5% higher than that for a year ago. The month's decrease was wholly a result of withdrawals of U. S. Government deposits, which decreased from $160 million in April to $58 million in May. This decrease was more than enough to offset the 2% rise in demand deposits (from $2,400 million to $2,448 million) and the 5% increase in time deposits ($510 million to $543 million). Interbank deposits also fell during the month, dropping 7% ($816 million to $756 million).

REVENUE RECEIPTS OF STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Source	September 1–April 30 1952–53	1951–52	Percent change
TOTAL	$479,298,146	$448,210,962	+ 5
Natural and casinghead gas production taxes	13,947,618	11,578,018	+ 20
Crude oil production taxes	83,134,248	82,049,384	+ 1
Sulfur production taxes	3,974,995	3,883,360	+ 2
Insurance companies occupation taxes	17,892,604	14,926,524	+ 20
Net motor fuel taxes	7,186,181	6,771,174	+ 6
Cigarette tax and licenses	23,453,222	22,727,829	+ 3
Alcoholic beverage taxes and licenses	13,197,386	13,112,693	+ 1
Automobile and other sales taxes	12,061,912	11,225,534	+ 7
Franchise taxes	6,031,109	4,425,239	+ 36
Other licenses and fees	10,449,295	9,365,545	+ 12
Oil and gas royalties	13,489,815	12,278,562	+ 10
Interest on securities owned	10,432,780	8,915,343	+ 17
Motor vehicle licenses, permits, and miscellaneous	23,975,292	21,989,813	+ 9
Federal aid—highways	12,129,499	17,751,725	— 32
Federal aid—public welfare	65,854,686	47,507,735	+ 39
Federal aid—public education	6,991,087	14,167,707	— 51
Federal aid—public health	7,690,397	6,509,753	+ 18
Unemployment compensation taxes	11,702,306	11,799,328	— 1
All other receipts	135,703,714	127,225,696	+ 7

Banks reduce investments. The overall deposit withdrawals in April were met with a 5% reduction in investments, principally through significant decreases in the holding of Treasury bills and certificates of indebtedness. Bank loans increase 1% ($1,764 million to $1,781 million) to offset a part of the decline in securities held. Holdings of other securities were up 5% ($180 million to $189 million).

Revenue receipts remain high. Revenue receipts of the State Comptroller of Public Accounts continued at a high rate through April, totalling $472 million for the September-April period. Last year the comparable figure was $448 million, almost 5% lower. Increases were recorded in most income categories; but dollarwise, federal aid for public welfare (+ 39%), federal aid for public health (+ 18%), motor fuel taxes (+ 16%), and insurance company occupation taxes (+20%) led the way. Significant decreases were evident for federal highway aid (— 32%) and federal aid to education (— 51%). Federal tax collections within the state are slightly under the 1952 figure, largely as a result of decreases in income taxes.

RAYMOND V. LESIKAR

FEDERAL INTERNAL REVENUE COLLECTIONS

Source: Internal Revenue Service, U.S. Treasury Department

Source	July 1–April 30 Collections (thousands of dollars) 1952–53	1951–52	Percent change
TEXAS	$1,777,538	$1,791,943	— 1
Income	1,050,601	1,089,943	— 4
Employment	17,237	18,214	— 5
Withholding	564,178	551,656	+ 2
Other	145,522	132,700	+ 10
FIRST DISTRICT	934,188	981,991	— 5
Income	566,290	602,600	— 6
Employment	3,760	5,008	— 25
Withholding	285,205	306,461	— 7
Other	78,933	67,921	+ 16
SECOND DISTRICT	843,350	809,952	+ 4
Income	484,311	486,772	— 1
Employment	13,477	13,205	+ 2
Withholding	278,973	245,196	+ 14
Other	66,589	64,778	+ 3

CHANGES IN CONDITION OF WEEKLY-REPORTING MEMBER BANKS IN THE DALLAS DISTRICT

Source: Board of Governors of the Federal Reserve System

Item	Percent change* Apr 1953 from Apr 1952	Apr 1953 from Mar 1953	Apr 1952 from Mar 1952
ASSETS			
Loans and investments	+ 7	— 1	+ 1
Loans	+ 15	+ 1	+ 2
Total U.S. Government securities	— 4	— 5	— 1
Treasury bills	— 62	— 30	— 4
Treasury certificates of indebtedness	— 21	— 15	+ 1
Treasury notes	+ 8	— 7	+ 1
Bonds	+ 16	+ 1	x
Other securities	+ 13	+ 5	+ 1
Reserve with Federal Reserve Banks	+ 2	— 5	— 4
Cash in vaults	+ 18	+ 12	+ 3
Balances with domestic banks	+ 5	— 3	— 15
LIABILITIES			
Total deposits (except interbank)	+ 5	— 1	x
Demand deposits (adjusted)	+ 5	+ 2	+ 2
Time deposits	+ 18	+ 5	0
U.S. Government deposits	— 43	— 64	— 25
Interbank deposits	+ 9	— 7	— 11
Domestic banks	+ 9	— 7	— 11
Foreign banks	+ 13	0	— 20
CAPITAL ACCOUNTS	+ 8	+ 1	+ 1

*Percentage changes are based on the day nearest the end of the month.

xChange is less than one half of one percent.

Bureau of Business Research Publications

Selected Trade & Professional Associations of Texas

A new listing of the names and addresses of Texas trade associations compiled by Frank T. Cadena, Research Associate, and Charlotte Bellah, Librarian, Bureau of Business Research. Single copies available without charge.

(Continued from front cover)

ite is to be had; but it is a marginal safeguard against aluminum famine, for it makes available for economic production quantities of low-grade ore not otherwise suitable for refining.

When the alumina has been extracted from the bauxite ore, half the job is done. But the more difficult half, the reduction of pure metallic aluminum from alumina, remains to be accomplished. This stage is more difficult primarily because there are few chemicals in which alumina will dissolve and it must be dissolved in order to be subjected to electrolysis. For sixty years, lack of a known solvent for alumina held the price of alumina in the precious-metals bracket. The first aluminum was isolated in 1825 by Hans Christian Oersted, a professor of physics at the University of Copenhagen. Twenty-five years later, aluminum still cost $545.00 a pound and was used to make tableware for the most distinguished guests in the court of Napoleon IIII; less honored guests were obliged to eat from silver and gold utensils.

Not until 1886 was the problem solved. Charles M. Hall, a young chemist at Oberlin College in Ohio, and Paul Heroult in France each discovered independently that if molten cryolite were raised to a temperature of 1900° F., it would dissolve about 8% of its weight of alumina, and that if an electric current were passed through the mixture, molten aluminum would collect at the bottom of the cell. About 53% of the weight of alumina is in aluminum; so, roughly half the alumina dissolved in the cell issues as metal. This procedure, the Hall-Heroult process, deflated the price of aluminum from $11.13 a pound in 1885 to 57 cents a pound in 1892, and to 23 cents by 1900. It is still the standard industrial method for extracting aluminum.

This brief review of the technology of aluminum production is enough to suggest some of the economic factors that control the location of the industry. Obviously, different factors come into play in the two stages of production. Location of alumina plants is determined chiefly by the relative costs of assembling raw materials. The cover chart indicates that large weights of bauxite and other raw materials plus an ample supply of power are required in the initial process. Balanced against the desirability of building plants near bauxite deposits, however, is the expense of transporting the alumina to reduction units. Most of the U. S. production of bauxite has been from central Arkansas. Alumina plants that draw more or less upon Arkansas deposits have been constructed at Hurricane Creek, Arkansas and at East St. Louis to the north, Listerhill, Alabama to the east, and Mobile to the south.

Domestic supplies of bauxite, however, go only a third of the way toward filling the nation's requirements. Most of the remaining two-thirds is imported from Surinam (Dutch Guiana), British Guiana, Jamaica, and Haiti. The Aluminum Corporation of America, producer of half the U. S. output of aluminum, has extensive holdings in Surinam. Reynolds Metals Company, which makes nearly a third of the national total, controls bauxite mines in Jamaica.

The fact that most American bauxite comes from the Caribbean area was a prime factor in bringing about the concentration of alumina production along the Gulf coast. Although aluminum reduction plants have been operating in Texas for more than two years, the first alumina is scheduled to be made in Texas during the coming month at La Quinta, near Corpus Christi. There, Reynolds Metals has just completed a Bayer-process plant almost ideally situated in respect to raw materials supplies. A newly built ship channel, contracted by Reynolds, links the alumina plant with tidewater on Corpus Christi Bay and with the Aransas Pass-Corpus Christi waterway. Two company-operated ore carriers are currently shipping bauxite from Jamaica to the La Quinta plant; the first load arrived at the end of March. Approximately half the La Quinta alumina production is destined for the nearby San Patricio reduction plant, also operated by Reynolds; the remainder is to be shipped to the company's other reduction plants elsewhere. Additional advantages accruing from location of the alumina plant on the Gulf Coast come from proximity to sources of lime, sodium carbonate, and fuel necessary in the Bayer process.

While it is almost axiomatic that the economic problems of production are considerably simplified if the plants of multi-process industries can be situated near each other, the economic relationships within the aluminum industry precluded until quite recently any concentration of alumina and reduction plants at mutually convenient locations. The reason for this was basically quite simple. The alumina plants were centered at points convenient for the assembly of the raw materials. The reduction plants, because of the imperative requirements for cheap power, were normally situated close to the sources of the cheapest power—hydro-electric. The most striking concentration, in the Pacific Northwest, is based on power available from the Bonneville and Grand Coulee dams.

Within a space of three years, Texas has advanced to a position of major importance in the aluminum industry. This has really represented a double revolution, for in locating in the state primary producers have also discarded some traditional economic assumptions to which the industry was apparently committed. How far this trend may be expected to continue depends upon a number of variables. The sole justification for the location of reducing plants in remote regions is the availability of cheap power, which offsets the larger transportation costs of assembling and delivering raw materials and the final product. To the extent that hydro-electric power still undercuts thermally generated power costs, some expansion at water-power sources may still be expected. Nevertheless, recent developments have made clear the fact that unless the margin of saving is considerable, and unless the primary producers are assured of firm power supplies, the center of gravity of the industry will undoubtedly shift. The Southwest, of all the alternative areas, holds perhaps the greatest potentialities. Proximity to many of the existing alumina plants or to the terminals of ocean shipment of bauxite from the Caribbean, extensive supplies of cheap fuel and of other materials necessary to the production process, and advantages in relation to industrial markets all provide powerful incentives for future expansion.

Some indication of the massive power requirements of the reduction process may be gauged from the fact that it requires between 8 and 10 kw-h. to produce one pound of aluminum by electrolysis. Thus, for a plant with a

rated output of 75,000 tons of metallic aluminum annually, the total annual input theoretically required is in excess of 1.5 billion kw-h. This would be sufficient, for example, to supply the residential requirements of three cities the size of Houston. As a cost factor, therefore, the terms upon which power can be supplied are extremely important; power costs are liable to exceed 10% of the current market price of the primary product.

While hydro-electric power can now be delivered at a cost below that of thermally generated power, certain postwar developments have combined to dislocate the established economic production patterns which warranted the unusual geographic dispersion of the two phases of production. Reduction plants require not only cheap power, but also a steady flow of power. Any fluctuation in the supply seriously affects the electrolytic operation, since this must be maintained at a continuously high load factor. Early in 1951, the Defense Electric Power Administration emphasized the hazards of further expansion of primary aluminum production in the Pacific Northwest, in view of the strain which would be put on existing generating facilities, should water flow decline from the above-average levels observed over the previous 20 years. At the same time, the price differential between hydro- and thermal-electric power has been narrowed by the development of increasingly efficient methods of thermal generation, using either natural gas, or lignite, or bituminous coal. In view of the strong competitive position of aluminum *vis a vis* other metals, the one or two cents a pound price increase which might result from the use of thermally generated power would not materially affect demand. Moreover, there are long-range prospects for reducing power consumption in electrolysis, through the improvement of the techniques of this process.

These considerations provided the necessary incentive for the major producers to expand reduction facilities in areas not previously considered suitable for siting primary aluminum plants. In particular, the opportunity arose for an integration of the two stages of production, or at least for a more rational dispersion of the alumina and reduction plants. Under these circumstances, location of primary production facilities in Texas held certain commanding advantages. The availability of large supplies of natural gas at the cheapest industrial rates in the nation was a most obvious factor. Moreover, plants located in the state had a distinct advantage over West Coast plants, in terms of transportation distance of alumina from the existing alumina plants and because of the possibility of barge transportation using existing waterways.

Alcoa first began operations in the state with its Port Comfort reduction plant, situated near Port Lavaca and completed in 1950 at a cost of $62 million. The power requirements (approximately 120,000 kw) are supplied by generators driven by 120 new type gas engines, each rated at 1,600 hp. A total supply of more than 30 million cubic feet of natural gas each day is required. In order to guarantee continuity of gas supply, a subsidiary pipeline company pipes gas from both off- and on-shore wells in the area.

The Reynolds Metals Company reduction plant at San Patricio, some 13 miles northwest of Corpus Christi, also utilizes natural gas for generating power. The 78 gas engines installed are sufficient to produce 176,000 kilowatts, with a daily gas consumption of approximately 24 million cubic feet. As at the Alcoa plant at Port Comfort, arrangements have been made to assure a continuous fuel supply; two pipe lines have been laid into the plant, each of which is sufficient to maintain operations in case of any interruption of the gas flow in the other. The announced installation costs for the San Patricio plant, which commenced operations in April last year, were $80 million; annual capacity output is scheduled to be expanded to 80,000 tons of aluminum pig by 1954.

In recent years the preoccupation with the potentialities of natural gas as a fuel, and the striking increase in its utilization, caused many observers to discount the importance of the so-called inferior fuels, except as reserves against future exhaustion of the primary energy resources. Indeed, the existence of estimated reserves of 23 billion tons of lignite in Texas seemed to be a monstrous geological redundancy, in the richest gas producing state of the nation. However, the Alcoa plant at Port Comfort had been in operation for less than a year when the company announced plans for a further expansion in the state. This fact was interesting in itself, for it would represent a major increase in the state's productive capacity. But the most interesting news was that the plant would be located not on the Gulf Coast, but at Rockdale in Milam County, 150 miles inland, and that it was proposed to utilize not natural gas, but lignite, as the fuel for the power generation.

The Bureau of Mines and Texas Power and Light Company development engineers have evolved a process for the low-temperature carbonization of lignite, to produce a solid high-grade fuel, suitable for economic power generation, and also certain liquid by-products with yet undetermined marketing possibilities. Approximately 7,000 tons of lignite strip-mined in the Rockdale area will be processed daily; this will produce 3,200 tons of the solid fuel and 2,300 barrels of the liquid by-product. The The power plant is not yet completed, however, and since commencing operations in November last year, the company has drawn its power from Texas Power and Light. When full production gets under way upon the completion of the power plant, capacity output will be 85,000 tons of primary aluminum annually.

The growth of the aluminum industry has snowballed impressively during recent years, for as wartime demands resulted in expansion of production facilities, the expanded capacity led to an ample supply and a stable, remarkably low price level that encouraged the development of further uses for aluminum. And the inherent characteristics of the metal have suggested innumerable uses.

Originally, it was light weight that recommended aluminum for such purposes as aircraft construction, the first large-scale employment of the metal. Other transportation services, railroads and bus lines, began to take advantage of the efficient operation offered by aluminum rolling stock.

At the same time, the attractive luster of aluminum, its resistence to corrosion and ease of fabrication were helping popularize it in the form of housewares, furniture, and packaging materials. Although these uses may not account for the consumption of a large quantity of metal in any one case, in aggregate they are often impressive. Last year, Texas smokers bought enough aluminum foil in the

(Please turn to page 23)

Local Business

City and item	April 1953	Percent change: Apr 1953 from Apr 1952	Percent change: Apr 1953 from Mar 1953
ABILENE: (pop. 45,570)			
Retail sales	.....	— 3	— 6
Department and apparel stores	.....	— 10	— 10
Postal receipts	$ 61,966	x	+ 1
Value of building permits	$ 333,368	— 69	— 71
Bank debits (thousands)	$ 52,814	+ 4	— 3
End-of-month deposits (thousands)‡	$ 50,118	— 10	— 2
Annual rate of deposit turnover	12.5	+ 3	— 1
Air express shipments	258	+ 8	— 10
ALICE: (pop. 16,449)			
Postal receipts	$ 11,905	+ 5	+ 25
Value of building permits	$ 46,200	+ 11	— 55
Bank debits (thousands)	$ 11,656	.....	— 6
End-of-month deposits (thousands)‡	$ 12,040	.....	— 18
Annual rate of deposit turnover	10.5	.....	+ 6
Air express shipments	21	+ 24	— 9
AMARILLO: (pop. 74,246)			
Retail sales	.....	+ 18	+ 3
Department and apparel stores	.....	— 19	— 18
Drug stores	.....	— 9	— 3
Lumber, building material, and hardware stores	.....	+ 3	— 21
Postal receipts	$ 119,588	+ 7	— 3
Value of building permits	$ 2,771,689	— 1	x
Bank debits (thousands)	$ 134,666	x	— 4
End-of-month deposits (thousands)‡	$ 105,279	— 9	x
Annual rate of deposit turnover	15.4	— 4	— 4
Air express shipments	634	+ 64	+ 4
AUSTIN: (pop. 132,459)			
Retail sales	.....	+ 11	— 1
Automotive stores	.....	+ 19	— 7
Department and apparel stores	.....	— 3	+ 3
Eating and drinking places	.....	+ 16	— 8
Filling stations	.....	— 3	— 3
Food stores	.....	— 1	— 5
Furniture and household appliance stores	.....	+ 15	— 1
Lumber, building material, and hardware stores	.....	+ 26	+ 10
Postal receipts	$ 208,652	+ 3	— 8
Value of building permits	$ 2,677,016	— 23	+ 8
Bank debits (thousands)	$ 112,464	+ 9	+ 3
End-of-month deposits (thousands)‡	$ 106,183	— 11	+ 3
Annual rate of deposit turnover	13.0	— 9	— 2
Air express shipments	630	+ 27	— 20
BAYTOWN: (pop. 22,983)			
Postal receipts	$ 15,022	+ 1	— 2
Value of building permits	$ 304,230	+ 64	— 48
Bank debits (thousands)	$ 18,677	+ 20	— 2
End-of-month deposits (thousands)‡	$ 19,272	+ 7	— 3
Annual rate of deposit turnover	11.4	+ 12	+ 2
BEEVILLE: (pop. 9,348)			
Postal receipts	$ 6,615	+ 12	+ 6
Value of building permits	$ 35,900	+264	— 1
Bank debits (thousands)	$ 6,685	+ 7	— 13
End-of-month deposits (thousands)‡	$ 11,950	+ 1	+ 4
Annual rate of deposit turnover	6.8	+ 10	— 13
Air express shipments	19	+533	— 10

City and item	April 1953	Percent change: Apr 1953 from Apr 1952	Percent change: Apr 1953 from Mar 1953
BEAUMONT: (pop. 94,014)			
Retail sales	.....	+ 11	— 2
Automotive stores	.....	+ 29	— 2
Department and apparel stores	.....	— 5	— 1
Eating and drinking places	.....	— 16	— 4
Furniture and household appliance stores	.....	+ 55	— 1
General merchandise stores	.....	— 7	— 4
Lumber, building material, and hardware stores	.....	+ 11	+ 2
Postal receipts	$ 78,310	+ 3	— 10
Value of building permits	$ 683,641	— 62	+ 7
Bank debits (thousands)	$ 130,178	+ 3	— 2
End-of-month deposits (thousands)‡	$ 93,790	— 5	— 3
Annual rate of deposit turnover	16.4	— 1	0
Air express shipments	288	— 6	+ 8
Waterborne commerce (tons)	32,744	+ 34	— 16
BIG SPRING: (pop. 17,286)			
Retail sales	.....	+ 3	— 5
Department and apparel stores	.....	— 11	— 11
Postal receipts	$ 18,860	+ 21	+ 13
Value of building permits	$ 133,095	— 76	— 47
Bank debits (thousands)	$ 21,633	x	+ 6
End-of-month deposits (thousands)‡	$ 23,203	— 10	— 5
Annual rate of deposit turnover	10.9	+ 9	+ 9
BRENHAM: (pop. 6,941)			
Postal receipts	$ 7,096	+ 12	+ 36
Value of building permits	$ 292,500	+418	+892
Bank debits (thousands)	$ 5,760	+ 3	+ 2
End-of-month deposits (thousands)‡	$ 10,239	+ 3	x
Annual rate of deposit turnover	6.8	— 1	+ 3
BROWNSVILLE: (pop. 36,066)			
Retail sales	.....	+ 2	— 9
Postal receipts	$ 19,987	— 7	— 5
Value of building permits	$ 897,542	+1282	+251
Air express shipments	407	0	— 4
Waterborne commerce (tons)	82,506	+ 19	+ 21
BROWNWOOD: (pop. 20,181)			
Retail sales	.....	+ 7	— 15
Department and apparel stores	.....	— 1	— 9
Postal receipts	$ 13,954	— 18	— 10
Value of building permits	$ 33,078	+ 14	— 8
Bank debits (thousands)	$ 8,963	— 9	x
End-of-month deposits (thousands)‡	$ 12,916	+ 1	— 2
Annual rate of deposit turnover	8.3	— 9	0
Air express shipments	26	— 30	— 7
BRYAN: (pop. 18,102)			
Department and apparel store sales	.....	— 5	+ 4
Postal receipts	$ 18,062	+ 18	+ 3
Value of building permits	$ 251,150	— 39	+ 28
Air express shipments	25	+ 56	— 26
CORSICANA: (pop. 19,211)			
Department and apparel store sales	.....	— 10	— 5
Postal receipts	$ 13,016	— 4	— 9
Bank debits (thousands)	$ 11,842	— 5	— 9
End-of-month deposits (thousands)‡	$ 19,496	— 10	— 4
Annual rate of deposit turnover	7.2	— 1	— 6

For explanation of symbols, see p. 23.

Conditions

City and item	April 1953	Percent change: Apr 1953 from Apr 1952	Percent change: Apr 1953 from Mar 1953
CORPUS CHRISTI: (pop. 108,287)			
Retail sales		+ 10	x
Apparel stores		− 8	− 7
Automotive stores		+ 22	+ 5
Department store sales†		+ 7	− 5
Country general stores		− 8	+ 6
Eating and drinking places		+ 6	− 1
Lumber, building material, and hardware stores		+ 9	− 7
Postal receipts	$ 114,287	+ 7	− 2
Value of building permits	$ 2,639,154	+218	− 16
Bank debits (thousands)	$ 146,729	+ 12	− 1
End-of-month deposits (thousands) ‡	$ 112,171	+ 7	x
Annual rate of deposit turnover	15.7	− 4	− 4
Air express shipments	467	+ 38	− 8
DALLAS: (pop. 434,462)			
Retail sales		x	− 5
Apparel stores		− 4	− 11
Automotive stores		+ 4	+ 1
Department store sales†		+ 1	− 4
Drug stores		− 4	+ 3
Eating and drinking places		+ 3	− 1
Farm and garden supply stores		− 8	− 8
Filling stations		+ 5	+ 4
Florists		x	+ 22
Food stores		+ 2	− 3
Furniture and household appliance stores		+ 1	+ 4
Liquor stores		+ 1	+ 9
Office, store, and school supply dealers		+ 20	+ 12
Postal receipts	$ 1,470,388	+ 11	− 5
Value of building permits	$ 9,778,787	+ 10	+ 26
Bank debits (thousands)	$ 1,602,330	+ 17	− 1
End-of-month deposits (thousands) ‡	$ 853,167	− 14	− 2
Annual rate of deposit turnover	22.3	+ 8	+ 1
Air express shipments	8,452	+ 7	+ 4
DEL RIO: (pop. 14,211)			
Postal receipts	$ 9,917	+ 38	+ 16
Value of building permits	$ 88,960	− 45	+ 28
Bank debits (thousands)	$ 9,566	+ 52	+ 21
End-of-month deposits (thousands) ‡	$ 8,335	− 15	− 20
Annual rate of deposit turnover	12.3	+ 62	+ 34
Air express shipments	32	+ 10	0
Tourists entering Mexico	14,188	—	+ 1
Tourist cars entering Mexico	4,482	—	+ 3
DENISON: (pop. 17,504)			
Retail sales		+ 12	− 2
Department and apparel stores		− 3	− 5
Postal receipts	$ 12,364	x	+ 1
Value of building permits	$ 48,618	+ 50	− 38
Bank debits (thousands)	$ 11,882	+ 22	+ 7
End-of-month deposits (thousands) ‡	$ 14,997	+ 18	− 6
Annual rate of deposit turnover	9.2	0	+ 2
DENTON: (pop. 21,372)			
Retail sales		+ 14	+ 1
Department and apparel stores		− 10	− 14
Postal receipts	$ 18,520	+ 3	+ 19
Value of building permits	$ 155,725	− 7	+123
Bank debits (thousands)	$ 10,260	+ 2	+ 2
End-of-month deposits (thousands) ‡	$ 13,345	+ 7	− 3
Annual rate of deposit turnover	9.1	− 6	+ 2
EDINBURG: (pop. 12,383)			
Postal receipts	$ 7,204	+ 2	− 15
Value of building permits	$ 43,841	− 13	− 5
Bank debits (thousands)	$ 8,506	− 1	− 5
End-of-month deposits (thousands) ‡	$ 10,024	+ 8	− 3
Annual rate of deposit turnover	10.0	− 10	0
Air express shipments	9	+ 81	+ 13
EL PASO: (pop. 130,485)			
Retail sales		− 4	− 1
Apparel stores		− 8	− 7
Automotive stores		− 3	− 10
Department store sales†		− 3	+ 5
Drug stores		+ 7	− 2
Furniture and household appliance stores		+ 4	− 21
General merchandise stores		− 9	+ 3
Lumber, building material, and hardware stores		+ 30	+ 24
Office, store, and school supply dealers		+ 57	+ 4
Piano stores		− 33	− 5
Postal receipts	$ 180,189	+ 3	− 2
Value of building permits	$ 1,348,149	+ 52	− 73
Bank debits (thousands)	$ 208,017	+ 20	− 10
End-of-month deposits (thousands) ‡	$ 119,718	− 17	− 4
Annual rate of deposit turnover	20.4	+ 3	− 6
Air express shipments	1,553	+ 19	− 2
Tourists entering Mexico	2,970	+ 5	+ 11
Tourist cars entering Mexico	1,146	+ 2	+ 13
FORT WORTH: (pop. 278,778)			
Retail sales		+ 1	x
Apparel stores		− 3	+ 27
Automotive stores		+ 28	− 6
Department store sales†		− 5	+ 4
Drug stores		+ 13	− 1
Eating and drinking places		+ 2	+ 3
Filling stations		− 10	+ 3
Food stores		− 2	+ 2
Furniture and household appliance stores		− 3	− 4
Lumber, building material, and hardware stores		+ 10	+ 16
Postal receipts	$ 468,927	− 1	− 12
Value of building permits	$ 4,015,362	− 16	+ 9
Bank debits (thousands)	$ 506,605	+ 6	− 2
End-of-month deposits (thousands) ‡	$ 327,721	− 16	− 1
Annual rate of deposit turnover	18.5	+ 2	− 1
Air express shipments	1,885	x	0
GALVESTON: (pop. 66,568)			
Retail sales		x	x
Automotive stores		+ 11	− 9
Department and apparel stores		− 7	x
Eating and drinking places		− 5	− 2
Food stores		− 2	− 3
Furniture and household appliance stores		+ 11	+ 10
Lumber, building material, and hardware stores		+ 7	x
Postal receipts	$ 64,063	− 7	− 8
Value of building permits	$ 742,757	+478	+493
Bank debits (thousands)	$ 78,544	− 1	x
End-of-month deposits (thousands) ‡	$ 77,626	− 24	+ 1
Annual rate of deposit turnover	12.2	− 15	− 4
Air express shipments	594	+ 87	+ 47

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	April 1953	Percent change: Apr 1953 from Apr 1952	Percent change: Apr 1953 from Mar 1953
GARLAND: (pop. 10,571)			
Postal receipts	$ 10,308	+ 25	+ 8
Value of building permits	$ 1,000,080	— 31	+ 66
Bank debits (thousands)	$ 9,085	+ 23	— 6
End-of-month deposits (thousands)‡	8,786	+ 28	+ 5
Annual rate of deposit turnover	13.0	+ 2	— 8
GILMER: (pop. 4,096)			
Retail sales	.....	— 10	— 2
Postal receipts	2,069	— 39	— 50
Value of building permits	$ 9,900	+ 16	+ 19
Bank debits (thousands)	$ 3,339	.....	— 9
End-of-month deposits (thousands)‡	$ 6,540	.....	+ 3
GLADEWATER: (pop. 5,305)			
Postal receipts	$ 5,122	+ 2	— 2
Value of building permits	$ 24,000	.....	— 54
Bank debits (thousands)	$ 4,142	+ 2	+ 6
End-of-month deposits (thousands)‡	$ 4,499	+ 12	+ 11
Annual rate of deposit turnover	11.6	— 6	+ 5
Air express shipments	3	— 57	— 40
GONZALES: (pop. 5,659)			
Postal receipts	$ 3,969	— 26	+ 3
Value of building permits	$ 16,050	+ 5	+ 73
Bank debits (thousands)	$ 4,458	— 15	— 6
End-of-month deposits (thousands)‡	$ 6,187	+ 4	— 3
Annual rate of deposit turnover	8.5	— 17	— 4
GREENVILLE: (pop. 14,727)			
Department and apparel store sales	.....	— 16	+ 4
Postal receipts	$ 17,730	— 8	+ 1
Value of building permits	$ 55,850	— 56	— 60
Bank debits (thousands)	$ 10,942	+ 1	— 3
End-of-month deposits (thousands)‡	$ 12,445	x	— 4
Annual rate of deposit turnover	10.3	+ 1	— 5
HARLINGEN: (pop. 23,229)			
Postal receipts	$ 22,901	+ 20	— 7
Value of building permits	$ 92,050	— 5	— 74
Bank debits (thousands)	$ 24,126	+ 6	— 6
End-of-month deposits (thousands)‡	$ 18,390	— 3	— 4
Annual rate of deposit turnover	15.4	+ 8	— 4
Air express shipments	64	+ 28	— 10
HENDERSON: (pop. 6,833)			
Postal receipts	$ 7,551	+ 3	+ 7
Value of building permits	$ 184,140	+300	— 3
Bank debits (thousands)	$ 6,172	— 19	— 1
End-of-month deposits (thousands)‡	$ 13,769	x	— 3
Annual rate of deposit turnover	5.3	— 18	0
HEREFORD: (pop. 5,207)			
Postal receipts	$ 5,794	+ 19	+ 18
Value of building permits	$ 28,000	+ 4	— 28
Bank debits (thousands)	$ 7,957	+ 2	— 8
End-of-month deposits (thousands)‡	$ 9,649	+ 14	+ 3
Annual rate of deposit turnover	10.1	— 6	— 10
KILGORE: (pop. 9,638)			
Postal receipts	$ 11,613	+ 14	+ 7
Value of building permits	$ 25,000	— 43	0
Bank debits (thousands)	$ 12,865	.....	— 2
End-of-month deposits (thousands)‡	$ 14,384	.....	— 2
Annual rate of deposit turnover	10.6	.....	— 2
Air express shipments	16	— 36	0
HOUSTON: (pop. 596,163)			
Retail sales	.....	+ 15	— 1
Apparel stores	.....	+ 6	— 4
Automotive stores	.....	+ 37	+ 1
Department store sales†	.....	+ 9	+ 1
Drug stores	.....	+ 2	— 1
Eating and drinking places	.....	— 4	— 4
Filling stations	.....	+ 17	+ 2
Food stores	.....	+ 13	+ 1
Furniture and household appliance stores	.....	— 4	— 4
Liquor stores	.....	+ 5	— 8
Lumber, building material, and hardware stores	.....	+ 36	— 13
Postal receipts	$ 867,186	+ 7	— 10
Value of building permits	$11,893,364	+ 2	+ 11
Bank debits (thousands)	$ 1,666,607	+ 7	— 2
End-of-month deposits (thousands)‡	$ 1,035,469	— 10	— 17
Annual rate of deposit turnover	17.5	— 9	— 3
Air express shipments	4,713	+ 7	— 1
KILLEEN: (pop. 7,045)			
Postal receipts	$ 16,431	— 60	— 12
Value of building permits	$ 172,300	+ 27	+394
Bank debits (thousands)	$ 4,247	— 51	+ 1
End-of-month deposits (thousands)‡	$ 10,009	— 5	— 2
Annual rate of deposit turnover	5.0	— 52	0
LAMESA: (pop. 10,704)			
Postal receipts	$ 7,511	+ 5	+ 5
Value of building permits	$ 354,000	+ 86	+1061
Bank debits (thousands)	$ 7,587	— 27	— 6
End-of-month deposits (thousands)‡	$ 12,596	— 17	— 4
Annual rate of deposit turnover	7.1	— 12	— 8
LAMPASAS: (pop. 4,869)			
Postal receipts	$ 8,838	— 12	+ 49
Value of building permits	$ 29,740	— 29	+ 27
Bank debits (thousands)	$ 4,464	+ 9	+ 18
End-of-month deposits (thousands)‡	$ 6,554	+ 4	— 1
Annual rate of deposit turnover	8.1	+ 5	+ 16
LAREDO: (pop. 51,910)			
Postal receipts	$ 24,913	+ 5	+ 7
Value of building permits	$ 24,220	— 45	— 52
Bank debits (thousands)	$ 21,744	— 5	— 1
End-of-month deposits (thousands)‡	$ 19,481	— 21	x
Annual rate of deposit turnover	13.8	— 12	+ 2
Air express shipments	154	— 38	— 8
Tourists entering Mexico	7,403	— 9	+ 6
Tourist cars entering Mexico	2,600	— 9	+ 6
LEVELLAND: (pop. 8,264)			
Postal receipts	$ 7,097	+ 17	+ 14
Value of building permits	$ 53,650	— 85	— 33
Bank debits (thousands)	$ 7,371	.....	+ 2
End-of-month deposits (thousands)‡	$ 7,703	.....	— 7
Annual rate of deposit turnover	11.1	.....	+ 8
LITTLEFIELD: (pop. 6,540)			
Postal receipts	$ 5,109	+ 18	+ 19
Value of building permits	$ 48,000	.....	— 33
Bank debits (thousands)	$ 6,040	— 4	— 9
End-of-month deposits (thousands)‡	$ 5,335	— 4	— 10
Annual rate of deposit turnover	12.9	+ 2	— 9

For explanation of symbols, see page 28.

LOCAL BUSINESS CONDITIONS

City and item	April 1953	Percent change: Apr 1953 from Apr 1952	Percent change: Apr 1953 from Mar 1953
LLANO: (pop. 2,954)			
Postal receipts	$ 1,674	− 16	+ 17
Value of building permits	$ 24,000	----	+ 60
Bank debits (thousands)	$ 2,126	− 20	− 2
End-of-month deposits (thousands)‡	$ 3,320	+ 2	− 1
Annual rate of deposit turnover	7.6	− 22	− 1
LOCKHART: (pop. 5,573)			
Department and apparel store sales	----	x	+ 6
Postal receipts	$ 3,084	x	+ 12
Value of building permits	$ 32,750	+158	+ 61
Bank debits (thousands)	$ 3,664	+ 11	+ 17
End-of-month deposits (thousands)‡	$ 4,676	+ 4	− 14
Annual rate of deposit turnover	8.7	− 1	+ 19
LONGVIEW: (pop. 24,502)			
Postal receipts	$ 28,617	+ 11	+ 12
Value of building permits	$ 381,065	+ 25	+ 9
Bank debits (thousands)	$ 32,989	− 3	− 7
End-of-month deposits (thousands)‡	$ 36,692	+ 2	− 2
Annual rate of deposit turnover	10.7	− 9	− 5
Air express shipments	170	+ 73	− 16
LUBBOCK: (pop. 71,747)			
Retail sales	----	+ 9	x
Automotive stores	----	+ 15	− 8
Department and apparel stores	----	− 3	+ 13
Furniture and household appliance stores	----	+ 8	− 2
General merchandise stores	----	− 2	+ 10
Lumber, building material, and hardware stores	----	+ 37	+ 12
Postal receipts	$ 85,287	+ 9	+ 2
Value of building permits	$ 1,679,828	− 12	− 28
Bank debits (thousands)	$ 107,077	+ 1	− 5
End-of-month deposits (thousands)‡	$ 84,155	− 14	− 7
Annual rate of deposit turnover	14.8	− 1	+ 2
Air express shipments	718	+218	+ 8
LUFKIN: (pop. 15,135)			
Postal receipts	$ 13,927	+ 4	+ 4
Value of building permits	$ 211,800	+ 43	+210
Bank debits (thousands)	$ 17,090	+ 11	− 6
End-of-month deposits (thousands)‡	$ 20,572	+ 4	− 12
Annual rate of deposit turnover	9.4	+ 1	− 2
Air express shipments	54	+ 93	+ 29
McALLEN: (pop. 20,067)			
Retail sales	----	+ 24	− 4
Department and apparel stores	----	+ 5	− 10
Postal receipts	$ 15,426	− 5	x
Value of building permits	$ 55,700	− 11	− 74
Air express shipments	67	+123	+ 37
MARLIN: (pop. 7,099)			
Postal receipts	$ 5,818	− 1	+ 10
Value of building permits	$ 31,167	+ 5	+197
Bank debits (thousands)	$ 2,779	− 7	+ 13
End-of-month deposits (thousands)‡	$ 4,188	− 17	− 2
Annual rate of deposit turnover	7.9	+ 11	+ 20
MARSHALL: (pop. 22,327)			
Retail sales	----	+ 3	+ 11
Department and apparel stores	----	+ 1	+ 13
Postal receipts	$ 16,581	+ 3	− 14
Value of building permits	$ 238,681	+151	+ 72
Bank debits (thousands)	$ 15,413	+ 20	x
End-of-month deposits (thousands)‡	$ 20,367	+ 6	− 3
Annual rate of deposit turnover	9.0	+ 13	+ 1
MERCEDES: (pop. 10,081)			
Postal receipts	$ 5,222	+ 12	+ 21
Value of building permits	$ 34,602	----	+ 97
Bank debits (thousands)	$ 6,091	− 8	− 6
End-of-month deposits (thousands)‡	$ 5,724	− 8	− 10
Annual rate of deposit turnover	12.1	− 5	− 3
MIDLAND: (pop. 21,713)			
Postal receipts	$ 42,424	+ 6	− 2
Value of building permits	$ 1,262,855	----	− 61
Bank debits (thousands)	$ 52,969	− 10	− 3
End-of-month deposits (thousands)‡	$ 62,114	+ 9	− 4
Annual rate of deposit turnover	10.0	− 17	0
Air express shipments	181	− 3	− 26
MONAHANS: (pop. 6,311)			
Postal receipts	$ 4,842	− 9	x
Value of building permits	$ 129,190	----	+247
Bank debits (thousands)	$ 6,470	+ 9	− 4
End-of-month deposits (thousands)‡	$ 6,351	+ 3	− 6
Annual rate of deposit turnover	11.8	+ 1	− 2
NACOGDOCHES: (pop. 12,327)			
Postal receipts	$ 10,075	+ 17	+ 9
Value of building permits	$ 441,450	+2027	+480
Bank debits (thousands)	$ 10,424	x	+ 9
End-of-month deposits (thousands)‡	$ 14,991	+ 1	− 2
Annual rate of deposit turnover	8.2	− 1	+ 9
Air express shipments	22	+100	− 8
NEW BRAUNFELS: (pop. 12,210)			
Department and apparel store sales	----	− 9	− 5
Postal receipts	$ 10,975	− 2	− 9
Value of building permits	$ 94,010	− 38	− 26
Bank debits (thousands)	$ 6,656	− 1	− 2
End-of-month deposits (thousands)‡	$ 9,976	+ 5	− 9
Annual rate of deposit turnover	7.6	− 7	0
ODESSA: (pop. 29,495)			
Retail sales	----	− 9	+ 4
Department and apparel stores	----	− 15	+ 21
Postal receipts	$ 38,271	+ 1	− 1
Value of building permits	$ 1,246,132	− 21	+ 7
Bank debits (thousands)	$ 36,377	− 17	− 3
End-of-month deposits (thousands)‡	$ 35,499	− 14	+ 3
Annual rate of deposit turnover	12.5	− 4	− 5
Air express shipments	151	− 35	− 20
ORANGE: (pop. 21,174)			
Postal receipts	$ 14,441	− 2	− 2
Value of building permits	$ 104,663	+ 78	− 63
Bank debits (thousands)	$ 18,703	+ 22	− 7
End-of-month deposits (thousands)‡	$ 23,103	----	− 6
Annual rate of deposit turnover	9.4	----	− 6
PALESTINE: (pop. 12,503)			
Postal receipts	$ 9,204	− 15	− 3
Value of building permits	$ 49,150	− 32	− 42
Bank debits (thousands)	$ 5,712	− 11	− 3
End-of-month deposits (thousands)‡	$ 12,558	+ 3	− 1
Annual rate of deposit turnover	5.4	− 14	− 2

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	April 1953	Percent change: Apr 1953 from Apr 1952	Percent change: Apr 1953 from Mar 1953
PAMPA: (pop. 16,583)			
Retail sales		+ 15	— 16
Postal receipts	$ 13,512	— 4	+ 1
Value of building permits	$ 279,200	— 19	— 6
Air express shipments	59	— 27	— 25
PARIS: (pop. 21,643)			
Retail sales		+ 20	+ 1
Department and apparel stores		— 11	— 1
Postal receipts	$ 13,493	+ 3	— 16
Value of building permits	$ 96,000	+195	+108
Air express shipments	53	+ 43	+ 43
PHARR: (pop. 8,690)			
Postal receipts	$ 4,249	+ 8	+ 2
Value of building permits	$ 23,100	+118	+478
Bank debits (thousands)	$ 2,521	— 16	— 5
End-of-month deposits (thousands)‡	$ 3,220	+ 15	— 2
Annual rate of deposit turnover	9.3	— 27	— 3
PLAINVIEW: (pop. 14,044)			
Retail sales		— 6	— 7
Department and apparel stores		— 5	+ 8
Postal receipts	$ 11,721	— 7	— 4
Value of building permits	$ 285,800	+ 94	+103
Bank debits (thousands)	$ 16,005	— 4	— 3
End-of-month deposits (thousands)‡	$ 22,058	+ 6	— 6
Annual rate of deposit turnover	8.4	— 11	+ 1
Air express shipments	31	0	+ 3
PORT ARTHUR: (pop. 57,530)			
Retail sales		+ 14	+ 6
Automotive stores		+ 34	+ 9
Department and apparel stores		— 16	— 4
Drug stores		+ 1	+ 4
Eating and drinking places		+ 26	— 1
Filling stations		— 9	— 10
Food stores		+ 7	+ 5
Furniture and household appliance stores		— 4	+ 5
Lumber, building material, and hardware stores		+ 38	+ 17
Postal receipts	$ 35,512	— 2	— 2
Value of building permits	$ 244,300	— 34	— 18
Bank debits (thousands)	$ 45,282	+ 9	— 4
End-of-month deposits (thousands)‡	$ 38,277	— 16	— 2
Annual rate of deposit turnover	14.0	+ 6	— 5
Air express shipments	142	+ 26	+ 20
RAYMONDVILLE: (pop. 9,136)			
Postal receipts	$ 4,227	— 15	— 4
Value of building permits	$ 2,800	— 96	— 80
Bank debits (thousands)	$ 4,334	— 14	— 11
End-of-month deposits (thousands)‡	$ 7,848	— 20	— 14
Annual rate of deposit turnover	6.1	0	— 6
SAN ANGELO: (pop. 52,093)			
Retail sales		— 10	+ 11
Postal receipts	$ 42,585	— 9	+ 1
Value of building permits	$ 384,228	— 29	+ 17
Bank debits (thousands)	$ 37,607	— 1	+ 1
End-of-month deposits (thousands)‡	$ 45,134	— 10	— 3
Annual rate of deposit turnover	9.8	— 2	+ 2
Air express shipments	233	— 21	— 4
SAN ANTONIO: (pop. 408,442)			
Retail sales		+ 6	+ 4
Apparel stores		— 5	— 1
Automotive stores		+ 45	+ 11
Department store sales†		+ 3	— 4
Drug stores		+ 2	+ 3
Eating and drinking places		— 6	— 2
Filling stations		— 3	— 1
Food stores		— 1	+ 3
Furniture and household appliance stores		— 5	+ 1
Lumber, building material, and hardware stores		— 8	+ 3
Office, store, and school supply dealers		+ 43	— 7
Postal receipts	$ 510,164	+ 9	+ 6
Value of building permits	$ 4,537,266	+ 16	— 16
Bank debits (thousands)	$ 385,638	+ 7	— 6
End-of-month deposits (thousands)‡	$ 320,971	— 16	— 16
Annual rate of deposit turnover	143	— 3	— 6
Air express shipments	2,137	— 14	— 4
SEGUIN: (pop. 9,733)			
Postal receipts	$ 7,248	+ 7	— 4
Value of building permits	$ 62,350	+ 25	— 27
Bank debits (thousands)	$ 5,932	— 11	— 2
End-of-month deposits (thousands)‡	$ 15,500	+ 9	+ 1
Annual rate of deposit turnover	4.6	— 18	— 2
SHERMAN: (pop. 20,150)			
Retail sales		+ 18	— 7
Department and apparel stores		— 6	— 7
Postal receipts	$ 21,659	— 1	— 5
Value of building permits	$ 158,827	+ 90	— 9
Bank debits (thousands)	$ 25,177	+ 17	— 3
End-of-month deposits (thousands)‡	$ 14,197	+ 2	— 5
Annual rate of deposit turnover	20.7	+ 10	— 1
SNYDER: (pop. 12,010)			
Postal receipts	$ 8,587	— 14	— 3
Value of building permits	$ 207,050	+ 30	— 4
Bank debits (thousands)	$ 12,047	—	— 5
End-of-month deposits (thousands)‡	$ 11,345	—	— 12
Annual rate of deposit turnover	11.9	—	— 1
SULPHUR SPRINGS: (pop. 8,991)			
Postal receipts	$ 5,893	+ 12	+ 22
Value of building permits	$ 34,590	— 44	—
Bank debits (thousands)	$ 6,364	— 7	— 2
End-of-month deposits (thousands)‡	$ 10,282	+ 1	— 1
Annual rate of deposit turnover	7.4	— 6	— 1
SWEETWATER: (pop. 13,619)			
Retail sales		— 16	— 2
Postal receipts	$ 11,390	— 9	— 31
Value of building permits	$ 24,450	— 69	+ 74
Air express shipments	25	+ 25	+ 25
TAYLOR: (pop. 9,071)			
Postal receipts	$ 8,038	+ 18	+ 12
Value of building permits	$ 34,185	— 55	+ 30
Bank debits (thousands)	$ 9,831	x	x
End-of-month deposits (thousands)‡	$ 13,903	+ 1	— 6
Annual rate of deposit turnover	8.2	— 8	— 1

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item		April 1953	Percent change: Apr 1953 from Apr 1952	Percent change: Apr 1953 from Mar 1953
TEMPLE: (pop. 25,467)				
Retail sales			— 9	— 5
Postal receipts	$	25,814	+ 1	+ 10
Value of building permits	$	176,840	— 46	— 50
Bank debits (thousands)	$	17,229	+ 5	+ 4
End-of-month deposits (thousands)‡	$	22,270	— 4	— 2
Annual rate of deposit turnover		9.2	+ 6	+ 7
Air express shipments		58	— 21	+ 2
TEXARKANA: (pop. 40, 628)§				
Retail sales§			— 6	— 15
Department and apparel stores§			— 12	— 8
Postal receipts§	$	39,131	— 11	— 10
Bank debits (thousands)§	$	42,166	+ 10	+ 3
End-of-month deposits (thousands)‡	$	19,801	— 21	— 3
Annual rate of deposit turnover		11.5	— 13	+ 5
Air express shipments§		102	+ 3	— 3
TYLER: (pop. 38,968)				
Retail sales			+ 22	— 4
Department and apparel stores			— 12	— 8
Postal receipts	$	63,870	+ 18	— 7
Value of building permits	$	2,352,287	+631	+432
Bank debits (thousands)	$	58,803	+ 16	— 2
End-of-month deposits (thousands)‡	$	54,221	+ 1	— 3
Annual rate of deposit turnover		12.8	+ 2	— 6
Air express shipments		201	+ 42	+ 26
WAXAHACHIE: (pop. 11,204)				
Postal receipts	$	14,671	— 21	— 22
Value of building permits	$	40,800	— 35	— 58
Bank debits (thousands)	$	3,434	—	— 12
End-of-month deposits (thousands)‡	$	3,449	+ 2	— 9
Annual rate of deposit turnover		11.4	— 5	— 12
TEXAS CITY: (pop. 16,620)				
Retail sales			+ 26	+ 7
Department and apparel stores			+ 11	+ 2
Postal receipts	$	14,530	+ 13	— 3
Value of building permits	$	215,475	— 17	— 79
WACO: (pop. 84,706)				
Retail sales			+ 4	— 5
Apparel stores			— 17	— 13
Automotive stores			+ 16	— 5
Department store sales†			— 7	— 2
Florists			+ 4	+ 52
Furniture and household appliance stores			+ 17	x
Office, store, and school and hardware stores			— 13	+ 33
Postal receipts	$	110,697	+ 9	+ 6
Value of building permits	$	1,273,297	— 21	+ 58
Bank debits (thousands)	$	75,011	+ 9	— 2
End-of-month deposits (thousands)‡	$	59,590	— 30	+ 2
Annual rate of deposit turnover		15.2	+ 14	— 3
Air express shipments		183	+ 15	— 5
WICHITA FALLS: (pop. 68,042)				
Retail sales			+ 4	— 6
Department and apparel stores			— 7	— 1
Postal receipts	$	82,175	+ 4	+ 10
Value of building permits	$	448,885	— 55	— 27
Bank debits (thousands)	$	86,436	— 1	+ 3
End-of-month deposits (thousands)‡	$	95,462	— 10	— 1
Annual rate of deposit turnover		10.8	— 6	+ 5
Air express shipments		395	+106	+ 14

xChange is less than one half of one percent.
*Preliminary.
†Reported by the Federal Reserve Bank of Dallas.
‡Excludes deposits to credit of banks.
§Figures include Texarkana, Arkansas (pop. 15,875) and Texarkana, Texas (pop. 24,753).

(Continued from page 17)

form of cigarette wrapping to cover 3,000 acres with a shining film of metal.

The construction materials industry has risen to a dominating position in aluminum fabrication. In the building trades, lightness, resistence to corrosion, insulation value, and lustrous surface are all considerable factors that have led to the use of aluminum in roofing, prefabricated wall panels, window frames, and most recently, television antennae.

Aluminum is a somewhat less effective electrical conductor than copper, but because of its lightness, strength, smaller power loss, and lower cost (20.5 cents a pound for aluminum ingot; more than 29 cents for copper) steel-reinforced aluminum cable has largely displaced copper in high-tension cable systems and in many other electrical applications.

Automobile manufacturers, formerly reluctant to commit themselves to large-scale use of a material made by only one company, are apparently reassured by the competitive nature of aluminum production today and are scrutinizing the possibilities of aluminum automobile parts.

To the extent that aluminum is originally extracted and ultimately consumed in the Texas area, there will undoubtedly be a tendency to develop aluminum fabrication in this region. Already, there are 73 aluminum foundries and fabricators in the state, according to the *Directory of Texas Manufacturers*. Most of these are small plants; however, work was begun early in 1953 on a major aluminum fabricating plant at Rockwall, near Dallas. There, about a thousand workers will be employed in the making of aircraft, truck, and trailer parts in addition to structural aluminum. In view of the local market available for these products in the existing automobile, aircraft, electrical, and other metal-using industries in the state, and the architectural suitability of the metal for many southwestern construction purposes, the possibilities of developing a fabricating industry of some magnitude are great.

If, as the former Defense Production Administration forecast, primary capacity is to increase to 140% of the 1950 production levels by 1955, and if, as predicted by the President's Materials Policy Commission, demand for aluminum will quintuple between 1950 and 1975, it is reasonable to assume that the recent increase in the state aluminum production, impressive as it is, is only the prologue to a new chapter in the history of the industrialization of Texas.

ALFRED G. DALE

BAROMETERS OF TEXAS BUSINESS

	Apr 1953	Mar 1953	Feb 1953	Year-to-date average 1953	Average month 1952
GENERAL BUSINESS ACTIVITY					
†Index of Texas Business Activity (100.0)	296*	295*	293*	296	268
Index of bank debits	706	688	688	692	667
Income payments to individuals in the U. S. (billions—seasonally adjusted at annual rate)	.....	$ 282.2*	$ 280.9	$ 281.3	$ 268.4
Index of wholesale prices in the U.S. (1947–49=100, unadjusted)	109.4	110.1	109.6	109.8	111.6
Index of consumers' prices in the U.S. (1947–49=100, unadjusted)	113.7	113.6	113.4	113.7	113.5
Index of postal receipts	401	400	387	392	382
†Index of miscellaneous freight carloadings in the Southwestern District (17.6)	145	143	140	144	144
Business corporation charters issued (number)	350	306	347	337	278
Business failures (number)	13	19	15	14	8
TRADE					
†Index of total retail sales (adjusted for price changes, 47.7)	247*	245*	245*	247	229
Index of total retail sales	514	513	514	518	481
Durable-goods stores	739	721	728	731	653
Nondurable-goods stores	406	412	411	415	398
‡Index of total retail sales in the U.S.	.....	447	450	445	424
Durable-goods stores	.....	654	670	652	582
Nondurable-goods stores	.....	380	379	378	372
Ratio of credit sales to net sales in department and apparel stores	63.6	66.0	63.9	63.7	63.5
Ratio of collections to outstandings in department and apparel stores	40.0	43.7	40.6	42.7	45.1
Index of gasoline sales	.....	272	276	282	260
PRODUCTION					
†Index of industrial electric power consumption (14.8)	627	634	642	638	536
†Index of crude runs to stills (4.5)	229	229	221	225	209
Index of wheat grindings	.....	99	97	99	99
Index of cottonseed crushed	.....	129	132	128	126
Index of southern pine production (unadjusted)	.....	129	118	125	123
Index of dairy product manufacturing	77	79	70	74	55
†Index of urban building permits (adjusted for price changes, 3.8)	211*	209*	200*	206	188
Index of urban building permits	458*	451*	431*	445	397
†Index of crude petroleum production (8.6)	216	234	232	229	232
†Index of total electric power consumption (3.0)	686	680	642	663	594
Index of industrial production in the U.S.	242*	242*	240	240	219
Index of cement production	.....	330	319	327	325
Construction contracts awarded (thousands)	$112,277	$ 80,977	$100,902	$ 95,559	$111,344
AGRICULTURE					
Index of farm cash income (unadjusted)	298	269	263	308	512
Index of prices received by farmers (unadjusted)	279	286	287	286	332
Index of prices paid by farmers in the U.S. (parity index—unadjusted, 1910–14=100)	279	281	280	281	288
Parity ratio	100	102	103	102	116
Index of prices received by farmers—livestock (unadjusted, 1910–14=100)	311	314	328	323	371
Index of prices received by farmers—all crops (unadjusted, 1910–14=100)	255	265	257	258	303
FINANCE					
Loans, reporting member banks in Dallas district (millions)	$ 1,781	$ 1,764	$ 1,755	$ 1,764	$ 1,609
Loans and investments, reporting member banks in Dallas district (millions)	$ 3,071	$ 3,108	$ 3,091	$ 3,107	$ 2,999
Demand deposits adjusted, reporting member banks in Dallas district (millions)	$ 2,448	$ 2,400	$ 2,448	$ 2,457	$ 2,385
Bank debits in 20 cities (millions)	$ 5,511	$ 5,636	$ 5,038	$ 5,533	$ 5,425
Revenue receipts of the State Comptroller (thousands)	$ 84,614	$ 57,713	$ 54,479	$ 62,813	$ 58,076
Federal Internal Revenue collections (thousands)	$153,695	$292,178	$250,434	$242,939	$188,187
LABOR					
Total nonagricultural employment (thousands)	2,270.0*	2,250.9	2,241.1	2,251.6	2,215.2
Total manufacturing employment (thousands)	437.3*	437.9	437.2	437.2	425.9
Durable-goods employment (thousands)	208.1*	207.6	206.3	206.7	203.3
Nondurable-goods employment (thousands)	229.2*	230.3	230.9	230.5	222.6

All figures are for Texas unless otherwise indicated. All indexes are based on the average months for 1935–39 except where indicated and are adjusted for seasonal variation (except annual indexes).

Manufacturing employment estimates have been adjusted to first quarter 1952 benchmarks.

*Preliminary.

†The index of business activity is a weighted average of the indexes indicated by a dagger (†). The weight given each index in computing the composite is given in parentheses.

‡New series. Index computed from estimates of retail sales published by Bureau of the Census.